

## Risk Factors Comparison 2025-03-13 to 2024-03-14 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Risks Related to Our Financial Position and Capital Requirements • We have a limited operating history that you can use to evaluate us, and the likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company. • We have incurred significant losses since our inception and have limited cash available for our operations. • We have never generated any revenue from product sales or any other sources since inception, and may never be profitable. • We expect that we will need to raise additional capital, which may not be available on acceptable terms, or at all. Risks Related to the Discovery and Development of Product Candidates • Preclinical and clinical studies of our product candidates may not be successful. If we are unable to generate successful results from preclinical and clinical studies of our product candidates, or experience significant delays in doing so, our business may be materially harmed. • We may not be successful in our efforts to identify or develop potential product candidates. • If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates. • Any of our product candidates may cause undesirable side effects or have other properties impacting safety that could delay or prevent their regulatory approval or limit the scope of any approved label or market acceptance. • Even if we complete the necessary preclinical studies and clinical trials, we cannot predict whether or when we will obtain regulatory approval to commercialize a product candidate and we cannot, therefore, predict the timing of any revenue from a future product. • Even if we obtain regulatory approval for a product candidate, we will still face extensive regulatory requirements and our products may face future development and regulatory challenges. • We may not be able to obtain or maintain orphan drug designation or exclusivity for our product candidates. • We may pursue Rare Pediatric Disease designation for QRX003 for the treatment of NS or other of our product candidates. There is no assurance that we will obtain such designation. Moreover, a Rare Pediatric Disease designation by the FDA does not guarantee that the NDA for the product will qualify for a priority review voucher upon approval, and it does not lead to a faster development or regulatory review process, or increase the likelihood that any of our product candidates will receive marketing approval. • We may use our financial and human resources to pursue a particular research program or product candidate and fail to capitalize on programs or product candidates that may be more profitable or for which there is a greater likelihood of success.

**• We expect competition in the marketplace for our product candidates, should any of them receive regulatory approval.**

Risks Related to Our Reliance on Third Parties • We rely on third parties to conduct some aspects of our compound formulation, research and preclinical studies, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such formulation, research or testing. • We rely, or will rely, on third- party manufacturers to produce the supply of our preclinical product, clinical product candidates and commercial supplies of any approved product candidates. Risks Related to Our Intellectual Property • If we are unable to obtain or protect intellectual property rights related to our future products and product candidates, we may not be able to compete effectively in our markets. • Third- party claims of intellectual property infringement may prevent or delay our development and commercialization efforts. **• If we fail to obtain licenses or comply with our obligations in these agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.**

Other Risks Related to Our Business Operations and Industry • Our future success depends on our ability to attract and retain key executives and to attract, retain and motivate qualified personnel. • We may need to expand our organization and may experience difficulties in managing our growth, which could disrupt our operations. **• Our operations may be impacted from changes to current regulations and future legislation.**

Risks Related to Us Being an Israeli Company • Shareholders may have difficulties enforcing a U. S. judgment, including judgments based upon the civil liability provisions of the U. S. federal securities laws, against us or our executive officers and directors, or asserting U. S. securities laws claims in Israel. ~~• Your~~ **The** rights and responsibilities ~~as of our shareholder~~ **shareholders are** will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of U. S. corporations. • Provisions of Israeli law may delay, prevent or otherwise impede a merger with, or an acquisition of, our company, which could prevent a change of control, even when the terms of such a transaction are favorable to us and our shareholders. Risks Related to Ownership of Our ADSs and Ordinary Shares • We do not know whether a market for our securities will be sustained and as a result it may be difficult for ~~you~~ **shareholders** to sell our securities ~~held by you~~. • The requirements of being a publicly traded company may strain our resources and divert management' s attention. • Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes- Oxley Act could have a material adverse effect on our business, results of operation or financial condition. In addition, current and potential shareholders could lose confidence in our financial reporting, which could have a material adverse effect on the price of the ADSs. **• Our failure** ~~We may be unable to meet~~ ~~comply with the applicable~~ continued listing requirements of ~~the~~ **Nasdaq Capital Market could result in a delisting of our ADSs**. • The market price for our ADSs may be volatile. **• Substantial future sales or perceived potential sales of our ADSs in the public market could cause the price of our ADSs decline.** **• Our shareholders may experience substantial dilution as a result of future issuances of our equity securities.** • We have not paid, and do not intend to pay, dividends on our ordinary shares and, therefore, unless our traded securities appreciate in value, our investors may not benefit from holding our securities. • Holders of ADSs must act through the depository to exercise their rights. ~~• You~~ **Holders of ADSs** may be subject to limitations on ~~the~~ **transfer of your** ~~their~~ **ADSs**. 4