

Risk Factors Comparison 2025-02-28 to 2024-03-07 Form: 10-K

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

Our business is subject to numerous risks and uncertainties that you should consider before investing in our company, as fully described below. The principal factors and uncertainties that make investing in our company risky include, among others: • we are a clinical-stage company with no approved products, which makes assessment of our future viability difficult; • we **have no commercialization history as a company and have incurred significant losses since our inception, and we anticipate that we will continue to incur substantial losses for the immediate future**; • we are dependent upon the success of DCCR, our sole therapeutic product candidate; • ~~if clinical studies of any of our planned products fail to demonstrate safety and effectiveness to the satisfaction of the FDA or similar regulatory authorities outside the U. S. or do not otherwise produce positive results, we may~~ **be unable** ~~incur additional costs, experience delays in completing or ultimately fail in completing the development and commercialization of our planned products~~; • ~~if we fail to obtain regulatory approval for DCCR in or the other U. S. potential product candidates~~ **S. The denial or delay of any such approval would delay commercialization and Europe have a material adverse effect on our potential to generate revenue**; our business ~~will be harmed and our results of operations~~; • **even if DCCR receives regulatory approval we have a limited commercialization history and have incurred significant losses since our inception, it may fail and we anticipate that we will continue to incur substantial losses achieve the degree of market acceptance by physicians, patients, caregivers, healthcare payers and others in the medical community necessary for commercial success** the foreseeable future. We transitioned to be primarily a research and development company, which, together with our limited operating history, makes it difficult to evaluate our business and assess our future viability; • we **expect to continue to expand** ~~may not be successful in commercializing our approved products development, regulatory and sales and marketing capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations~~; • our patent rights may prove to be an inadequate barrier to competition; ~~and~~ • we **have incurred and will continue to incur significant increased costs as a result of operating as a public company, and our management has devoted and will be required to continue to devote substantial time to new compliance initiatives; and** • **we may** ~~need additional funds to support our operations, and such funding may not be available to us on acceptable terms, or at all, which would force us to delay, reduce or suspend our research and development programs and other operations or commercialization efforts. Raising additional capital may subject us to unfavorable terms, cause dilution to our existing stockholders, restrict our operations, or require us to relinquish rights to our planned products and technologies. Risks related to our financial condition and capital requirements~~ We are a clinical-stage company with no approved products, which makes assessment of our future viability difficult. We ~~are primarily~~ **have historically been** a clinical-stage company, ~~with a relatively limited operating history and~~ with no approved therapeutic products or revenues from the sale of therapeutic products. As a result, there is limited information for investors to use when assessing our future viability as a company focused primarily on therapeutic products and our potential to successfully develop product candidates, conduct clinical trials, manufacture our products on a commercial scale, obtain regulatory approval and profitably commercialize any approved products. We **have no commercialization history as a company and have incurred significant losses since our inception, and we anticipate that we will continue to incur substantial losses for the immediate future.** We are a developer of therapeutics with ~~no a limited commercialization history~~ **as a company**. Evaluating our performance, viability or future success will be more difficult than if we had a longer operating history or approved products for sale on the market. We continue to incur significant research and development and general and administrative expenses and will incur substantial commercial expenses related to our operations. Investment in product development is highly speculative, because it entails substantial upfront capital expenditures and significant risk that any planned product may not receive marketing approval from the FDA. We expect that our **immediate** ~~future financial results will depend primarily on our success in developing, launching, selling and supporting~~ **DCCR our products**. This will require us to be successful in a range of activities, including ~~clinical trials, manufacturing, marketing and selling our products.~~ We are only in the preliminary stages of some of these activities. We may not succeed in these activities and may never generate revenue that is sufficient to be profitable in the future. Even if we are profitable, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to achieve sustained profitability would depress the value of our company and could impair our ability to raise capital, expand our business, diversify our planned products, market our current and planned products, or continue our operations. We are dependent upon the success of DCCR, our sole therapeutic product candidate. We ~~have invest~~ **invested substantially all a significant portion** of our efforts and financial resources in the development of DCCR for the treatment of PWS, a rare complex genetic neurobehavioral / metabolic disease. Our ability to generate product revenues, which may not occur for the foreseeable future, if ever, will depend heavily on the successful development, regulatory approval, and commercialization of DCCR. **We had previously announced a Prescription Drug User Fee Act (PDUFA) target action date of December 27, 2024 for DCCR. On November 26, 2024, we announced that the FDA had extended the review period for our NDA for DCCR and set a new PDUFA target action date of March 27, 2025.** Any **further** ~~delay or impediment in our ability to obtain regulatory approval to commercialize in any region, or, if approved, obtain coverage and adequate reimbursement from third- parties, including government~~ **payors payors**, for DCCR, may cause us to be unable to generate the revenues necessary to continue our research and development pipeline activities **or support our operations**, thereby adversely affecting our business and our prospects for future growth. Further, the success of DCCR will depend on a number of factors, including the following: • successful and timely completion of nonclinical and clinical development of DCCR ~~or any future product candidates~~, as well as the associated costs, including any unforeseen costs;

• **receiving** making any required post-marketing approval approvals for DCCR in commitments to applicable regulatory authorities and then **the fulfilling those commitments U. S. and E. U.**; • **obtain obtaining** a sufficiently broad label that would not unduly restrict patient access; • **receipt of marketing approvals for DCCR in the U. S. and Europe**; • building an infrastructure capable of supporting product sales, marketing, and distribution of DCCR in **the U. S. and** territories where we pursue commercialization directly; • **establishing the success of** commercial manufacturing arrangements with third party manufacturers; • establishing commercial distribution agreements with third party distributors; • launching commercial sales of DCCR, if and when approved, whether alone or in collaboration with others; • acceptance of DCCR, if and when approved, by patients, the medical community, and third- party payers; • **the completing any post- marketing requirements or post- approval commitments to applicable** regulatory authorities; • **obtaining a commercially viable price once approval approved** pathway that we pursue for DCCR in the U. S.; • effectively competing with other therapies; • a continued acceptable safety profile of DCCR following approval; • obtaining and maintaining patent and trade secret protection and regulatory exclusivity **once approved**; and • protecting our rights in our intellectual property portfolio ; and • **obtaining a commercially viable price for our products**. If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize DCCR, which would materially harm our business. We have been in discussions with the FDA regarding the clinical data necessary to support the submission of a new drug application (NDA) seeking approval to market DCCR for the treatment of PWS, after **After** our Phase 3 clinical trial, DESTINY PWS (C601) trial, failed to demonstrate statistical significance on the primary efficacy endpoints following which the FDA asked us to conduct a new clinical trial. **Following** As part of the ongoing discussions with the FDA, we have provided the agency with data from the C601 clinical trial, the open- label extension study (C602) as well as comparison to the natural history study (PATH for PWS) to allow the FDA to further assess if those data may provide adequate evidence of safety and efficacy to permit us to submit **an a new drug application (NDA) seeking approval to market DCCR for DCCR the treatment of PWS**. **At that time** As we previously disclosed, the FDA indicated that additional controlled data would be necessary to support our planned NDA and we have completed a randomized withdrawal period to Study C602 to obtain additional controlled data. Subsequently, we received preliminary comments from the FDA for our pre- NDA meeting, and as we decided not to proceed with the meeting, they are considered the official record of the meeting. **The As we previously disclosed, the** FDA stated that the potential for data from the DCCR clinical program to provide substantial evidence of effectiveness **will would** be a matter of review following the submission of an NDA. The FDA' s concerns regarding our data include the C601 study not meeting its primary efficacy endpoint and the randomized withdrawal period of the C602 study including the same study population as the C601 study. **We submitted our NDA for DCCR to the FDA on June 27, 2024 and on August 27, 2024, we announced that the FDA had accepted the NDA for filing and priority review and set a PDUFA target action date of December 27, 2024. On November 26, 2024, we announced that the FDA had extended the review period for our NDA and set a new PDUFA target action date of March 27, 2025. If, following review of our NDA,** the FDA disagrees with our interpretation of the data **does not determine that DCCR is safe and effective**, or requires us to conduct additional studies **prior to approval**, or if we are unable to adequately address any concerns or requests in a manner satisfactory to the FDA or other regulatory authorities in a timely manner, or at all, we would be significantly delayed or prevented from receiving approval of DCCR for any intended use. Complying with any additional requests for information from the FDA or other regulatory authorities as well as any changes in the regulatory requirements will be time- consuming and expensive. We can provide no assurances regarding the **timing of the** FDA' s review of any NDA we submit, whether the FDA will accept the NDA for **DCCR substantive review**, or if the FDA will ultimately approve **our NDA**. **If we fail to obtain regulatory approval for DCCR in the U. S. and the E. U., our business would be harmed. We are required to obtain regulatory approval for each indication we are seeking before we can market and sell DCCR in a particular jurisdiction, for such indication. We submitted our NDA the U.S. and Europe, our business would be harmed. We are required to obtain regulatory approval for each indication we are seeking before we can market and sell DCCR to the FDA in June 2024 and in August 2024 the FDA accepted the NDA for filing and granted priority review. There is currently a particular jurisdiction PDUFA target action date of March 27, 2025 for such indication the NDA**. Our ability to obtain regulatory approval of DCCR depends on, among other things, successful completion of clinical trials by demonstrating efficacy with statistical significance and clinical meaning, and safety in humans. The results of our current and future clinical trials may not meet the FDA, the European Medicines Agency (EMA), or other regulatory agencies' requirements to approve DCCR for marketing under any specific indication, and these regulatory agencies may otherwise determine that our third parties' manufacturing processes, validation, and / or facilities are insufficient to support approval. As such, we may need to conduct more clinical trials than we currently anticipate and or upgrade the manufacturing processes and facilities, which may require significant additional time and expense, and may delay or prevent approval. If we fail to obtain regulatory approval in a timely manner, our commercialization of DCCR would be delayed and our business would **be harmed**. We **will may** need additional funds to support our operations, and such funding may not be available to us on acceptable terms, or at all, which would force us to delay, reduce or suspend our research and development programs and other operations or commercialization efforts. Raising additional capital may subject us to unfavorable terms, cause dilution to our existing stockholders, restrict our operations, or require us to relinquish rights to our planned products and technologies. We have not commenced commercialization of DCCR, our current sole novel therapeutic product, and accordingly, through December 31, 2023-2024, have generated no revenue from operations. We had a net loss of \$ 39-175 . 0-9 million during the year ended December 31, 2023-2024 **(including non- cash stock- based compensation of \$ 100. 0 million)** and an accumulated deficit of \$ 276-452 . 4-3 million at December 31, 2023-2024 as a result of having incurred losses since our inception. We had \$ 169-318 . 7-6 million in cash and, cash equivalents and **marketable securities** \$ 159. 9 million of working capital at December 31, 2023-2024, used \$ 24-69 . 9-1 million of cash in operating activities during the year ended December 31, 2023-2024 and expect to continue incurring losses for the foreseeable

future. We ~~intend~~ **may need** to raise additional capital, either through debt or equity financings to achieve our business plan objectives, including ongoing expenses related to **the review of resources being deployed to manage participants in our current ongoing clinical trial NDA submission by the FDA and scaling of a sales and marketing organization to support the launch** of DCCR **following potential approval** and other activities necessary to support the submission of an NDA to the FDA. Because of the numerous risks and uncertainties associated with our product development and planned commercialization efforts, we are unable to predict the extent of our future losses or when, or if, we will generate meaningful revenue or become profitable, and it is possible we will never achieve these goals. Our ability to obtain additional financing will depend on a number of factors, including, among others, our ability to generate positive data from our clinical ~~studies~~ **trials**, our ability to obtain FDA ~~clearance~~ **approval** for DCCR, the condition of the capital markets and the other risks described in ~~these~~ **this** "Risk Factors" ~~Factors~~ **section**. If any one of these risks are realized, we may not be able to obtain additional funding, in which case, our business could be jeopardized and we may not be able to continue our operations or pursue our strategic plans. If we are forced to scale down, limit or cease operations, our stockholders could lose all of their investment. Even if we are successful at raising capital, there is no assurance that any funds raised will be sufficient to enable us to attain profitable operations. To the extent that we are unsuccessful raising sufficient capital, we may need to curtail or cease our operations and implement a plan to extend payables or reduce overhead until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful. If adequate funds are not available, we may be required to curtail our operations significantly or to obtain funds on unfavorable terms, through dilutive financings or entering into arrangements with collaborative partners or others that may require us to relinquish rights to certain of our product candidates that we would not otherwise relinquish. If we issue equity or convertible debt securities to raise additional funds, our existing stockholders will experience further dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur debt, our fixed payment obligations, liabilities and leverage relative to our equity capitalization would increase, which could increase the cost of future capital. Further, the terms of any debt securities we issue or borrowings we incur, if available, could impose significant restrictions on our operations, such as limitations on our ability to incur additional debt or issue additional equity or other operating restrictions that could adversely affect our ability to conduct our business, and any such debt could be secured by any or all of our assets pledged as collateral. Additionally, we may incur substantial costs in pursuing future capital, including investment banking, legal and accounting fees, printing and distribution expenses and other costs. We ~~maintain our cash at financial institutions,..... or continue our operations.~~ We currently have generated ~~limited no~~ product revenue and may never become profitable. To date, we have not generated ~~significant revenues~~ **revenue from the commercialization of DCCR**. Our ability to generate significant revenue from product sales and achieve profitability will depend upon our ability, alone or with any future collaborators, to successfully commercialize products that we may develop, in-license or acquire in the future. Our ability to generate revenue from product sales from ~~planned products~~ **DCCR following approval** also depends on a number of additional factors, including our ability to: • develop a commercial organization capable of sales, marketing and distribution of **DCCR** ~~any products for which we obtain marketing approval in markets where we intend to commercialize independently;~~ • achieve market acceptance of **DCCR** ~~our current and future products, if any;~~ • set a commercially viable price for **DCCR** ~~our current and future products, if any;~~ • establish and maintain supply and manufacturing relationships with reliable third parties, and ensure adequate and legally compliant manufacturing to maintain that supply; • obtain coverage and adequate reimbursement from third-party ~~payors~~ **payors**, including government and private ~~payors~~ **payors**; • find suitable distribution partners to help us market, sell and distribute **DCCR** ~~our products in other markets;~~ • complete and submit applications to, and obtain regulatory approval from, foreign regulatory authorities; • complete development activities successfully and on a timely basis; • establish, maintain and enforce our intellectual property rights and avoid third-party patent interference, intellectual property challenges or intellectual property infringement claims; and • attract, hire and retain qualified personnel. In addition, because of the numerous risks and uncertainties associated with product development and commercialization, including that our planned products may not advance through development, achieve the endpoints of applicable clinical trials or obtain approval, we are unable to predict the timing or amount of increased expenses, or when or if we will be able to achieve or maintain profitability. In addition, our expenses could increase beyond expectations if we decide, or are required by the FDA or foreign regulatory authorities, to perform studies or clinical trials in addition to those that we currently anticipate. Even if we are able to generate significant revenue from the sale of any of our products that may be approved or commercialized, we may not become profitable and may need to obtain additional funding to continue operations. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or shut down our operations. **We have a significant amount of debt, which may affect our ability to operate our business and secure additional financing in the future. As of December 31, 2024, we had \$ 50. 0 million outstanding under our loan and security agreement with Oxford Financing LLC and its affiliates (collectively, Oxford). Under the terms of the loan agreement with Oxford, an additional \$ 100 million may become available in three additional tranches, with tranches of \$ 50 million and \$ 25 million contingent upon FDA approval of DCCR for the treatment of PWS and one tranche of \$ 25 million contingent upon certain commercial milestones. A final \$ 50 million may be made available upon mutual consent with Oxford. The loan carries an interest- only period of 48 months and a total term of 60 months; provided that if specific milestones are achieved prior to September 30, 2026, the interest- only period and maturity date will be extended by 12 months. Subject to certain conditions, the term loans accrue interest at a floating rate equal to (a) 1- month term SOFR plus (b) 5. 50 %.** Our debt with Oxford is collateralized by substantially all of our assets and contains customary financial and operating covenants limiting our ability to, among other things, dispose of assets, undergo a change in control, merge or consolidate, enter into certain transactions with affiliates, make acquisitions, incur debt, incur liens, pay dividends, repurchase stock and make investments, in each case subject to certain exceptions. The covenants in our loan agreement

with Oxford, as well as in any future financing agreements into which we may enter, may restrict our ability to finance our operations and engage in, expand or otherwise pursue our business activities and strategies. Our ability to comply with these covenants may be affected by events beyond our control and future breaches of any of these covenants could result in a default under the loan agreement. If not waived, future defaults could cause all of the outstanding indebtedness under the loan agreement to become immediately due and payable and terminate commitments to extend further credit. If we do not have or are unable to generate sufficient cash to repay our debt obligations when they become due and payable, either upon maturity or in the event of a default, we may not be able to obtain additional debt or equity financing on favorable terms, if at all, which may negatively impact our ability to operate and continue our business as a going concern.

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or below our guidance. Our quarterly and annual operating results may fluctuate significantly in the future, which makes it difficult for us to predict our future operating results. **The timing of the commencement of the commercial launch of DCCR is dependent upon the FDA's approval, if any, of the NDA we submitted in June 2024. In addition to the risks related to a company launching its first commercial drug described elsewhere in this " Risk Factors" section, the success of a new drug product is inherently difficult to predict and we may not recognize revenue as quickly, consistently or in the amounts that we, analysts or investors anticipate following the launch.** Additionally, ~~From from~~ time to time, we may enter into collaboration agreements with other companies that include development funding and significant upfront and milestone payments or royalties, which may become an important source of our revenue. Accordingly, our revenue may depend on development funding and the achievement of development and clinical milestones under any potential future collaboration and license agreements and sales of our products, if approved. These upfront and milestone payments may vary significantly from period to period, and any such variance could cause a significant fluctuation in our operating results from one period to the next. In addition, we measure compensation cost for stock- based awards made to employees at the grant date of the award, based on the fair value of the award as determined by our Board, and recognize the cost as an expense over the employee's requisite service period. As the variables that we use as a basis for valuing these awards change over time, including our underlying stock price and stock price volatility, the magnitude of the expense that we must recognize may vary significantly. Furthermore, our operating results may fluctuate due to a variety of other factors, many of which are outside of our control and may be difficult to predict, including the following: • our ability to enroll patients in clinical trials and the timing of enrollment; • the design, timing and outcomes of clinical studies/trials; • any delays in regulatory review or approval in the U. S. or globally, of any of our planned products; • the cost and risk of initiating sales and marketing activities; • the timing and cost of, and level of investment in, research and development activities relating to our planned products, which will change from time to time; • the cost of manufacturing our products may vary depending on FDA and other regulatory requirements, the quantity of production and the terms of our agreements with manufacturers; • expenditures that we will or may incur to acquire or develop additional planned products and technologies; • changes in the competitive landscape of our industry, including consolidation among our competitors or potential partners; • the level of demand for our products may fluctuate significantly and be difficult to predict; • the risk / benefit profile, cost and reimbursement policies with respect to our future products, if approved, and existing and potential future drugs that compete with our planned products; • competition from existing and potential future offerings that compete with our products; • our ability to commercialize our products inside and outside of the U. S., either independently or working with third parties; • our ability to establish and maintain collaborations, licensing or other arrangements; • our ability to adequately support future growth; • potential unforeseen business disruptions that increase our costs or expenses; • future accounting pronouncements or changes in our accounting policies; and • the changing and volatile global economic environment. The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period- to- period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide. We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management. From time to time we may consider strategic transactions, such as acquisitions, asset purchases and sales, and out- licensing or in- licensing of products, product candidates or technologies. Additional potential transactions that we may consider include a variety of different business arrangements, including spin- offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and investments. Any such transaction may require us to incur non-recurring or other charges, may increase our near and long- term expenditures, could not result in perceived benefits that were contemplated upon entering into the transaction, and may pose significant integration challenges or disrupt our management or business, which could adversely affect our operations, solvency and financial results. For example, these transactions may entail numerous operational and financial risks, including: • exposure to unknown and contingent liabilities; • disruption of our business and diversion of our management's time and attention in order to develop acquired products, product candidates or technologies; • incurrence of substantial debt or dilutive issuances of equity securities to pay for acquisitions; • higher than expected acquisition and integration costs; • the timing and likelihood of payment of milestones or royalties; • write- downs of assets or goodwill or impairment charges; • increased operating expenditures, including additional research, development and sales and marketing expenses; • increased amortization expenses; • difficulty and cost in combining the operations and personnel of any acquired businesses with our operations and personnel; and • impairment of relationships with key suppliers or customers of any acquired businesses due to changes in management and ownership. Accordingly, although there can be no

assurance that we will undertake or successfully complete any additional transactions of the nature described above or that we will achieve an economic benefit that justifies such transactions, any additional transactions that we do complete could have a material adverse effect on our business, results of operations, financial condition and prospects. We may not be able to enter into strategic transactions on a timely basis or on acceptable terms, which may impact our development and commercialization plans. We have relied, and expect to continue to rely, on strategic transactions, which include in-licensing, out-licensing, purchases and sales of assets, and other ventures. The terms of any additional strategic transaction that we may enter into may not be favorable to us, and the contracts governing such strategic transaction may be subject to differing interpretations exposing us to potential litigation. We may also be restricted under existing collaboration or licensing arrangements from entering into future agreements on certain terms with potential strategic partners. We may not be able to negotiate additional strategic transactions on a timely basis, on acceptable terms, or at all. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our products or bring them to market and generate product revenue. Furthermore, there is no assurance that any such transaction will be successful or that we will derive an economic benefit as a result. Risks related to the development and commercialization of our products We may not be successful in **unable to obtain regulatory approval for DCCR or other potential product candidates. The denial or delay of any such approval would delay commercializing commercialization and have a material adverse effect on our potential to generate revenue, our business and our results of operations. The research, development, testing, manufacturing, labeling, packaging, approved approval, promotion, advertising, storage, record keeping, marketing, distribution, post-approval monitoring and reporting, and export and import of drug products are** Commercialization of products is subject to **extensive** a variety of regulations **regulation** regarding the manner in which potential customers may be engaged, the manner in which products may be lawfully advertised, and the claims that can be made for the benefits of the product, among other things. Our lack of experience with product launches may expose us to a higher than usual level of risk of non-compliance with these regulations, with consequences that may include fines or the removal of our approved products from the marketplace by **the FDA, and by foreign** regulatory authorities **in other countries**. Before **The legislation and regulations differ from country to country. To gain approval to market our product candidates, we must provide development, manufacturing and clinical data that adequately demonstrates the safety and efficacy of the product for the intended indication. We have not yet obtained regulatory approval to market any of our product candidates in the U. S. or any other country. Our business depends upon** obtaining these regulatory approvals. **The FDA can delay, limit for- or deny approval** the commercial sale of our product candidates **for many reasons**, we must **including:** • **our inability to satisfactorily** demonstrate through lengthy, complex and expensive nonclinical studies and clinical trials that **our the** product candidates are **both safe and effective for each target the requested** indication. Nonclinical and; • **the FDA's disagreement with our trial protocol or the interpretation of data from preclinical trials or clinical trials;** • **testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the nonclinical study and population studied in the** clinical trial processes. The results of nonclinical studies and early **may not be sufficiently broad or representative to assess safety in the full population for which we seek approval;** • **our inability to demonstrate that clinical trials or other benefits** of our product candidates **outweigh any** may not be predictive of the results of later-stage clinical trials. Although product candidates may demonstrate promising results in nonclinical studies and early clinical trials, they may not prove to be safe or effective in subsequent clinical trials. For example, testing on animals occurs under different conditions than testing in humans and therefore, the results of animal studies may not accurately predict safety and effectiveness in humans. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through nonclinical studies and clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through nonclinical studies and initial clinical trials. Further, clinical trial disruptions or protocol deviations during the COVID-19 pandemic may introduce bias or other factors **perceived risks;** • **the FDA's determination** that can impact the reliability of our clinical data collected at the peak of the COVID-19 public health emergency. Earlier conducted smaller-scale studies, biomarker analyses, and clinical trials with a single or relatively few clinical trial sites may not be predictive of eventual safety and effectiveness in large-scale pivotal clinical trials across multiple clinical trial sites. Even if data from a pivotal clinical trial are positive, regulators may not agree that such data are sufficient for approval and may require that we conduct additional clinical **preclinical** trials (including potential Phase 3 trials) or generate other forms of confirmatory evidence, which could materially delay our **or** anticipated development timelines, require additional funding for such additional clinical trials or confirmatory studies, and adversely impact our business. If the results of our current and future clinical trials are **required** inconclusive with respect to the efficacy of our product candidates, including DCCR, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates, we may: • **incur unplanned costs;** • **the FDA's non-** be delayed in or prevented from obtaining marketing approval **of the formulation, labeling for- or the specifications of** our product candidates; • **obtain the FDA's failure to accept the manufacturing processes or facilities of third- party manufacturers with which we contract; or** • **the potential for approval policies or regulations of the FDA to significantly change in a manner rendering our clinical data insufficient** for indications or patient populations that are not as broad as intended or desired; • **obtain approval with labeling that includes significant use. Even if we eventually complete clinical testing and receive approval of any regulatory filing or for** distribution restrictions or **our** safety warnings including boxed warnings; • **be subject to changes in the way the product candidates, the FDA may grant** is administered; • **be required to perform additional clinical trials to support approval or be subject to contingent on the performance of costly** additional post- product candidates, the FDA may grant approval contingent on the performance of costly additional post-approval clinical trials. The FDA may also approve our product candidates for a more limited indication or a narrower patient population than we originally requested, and the FDA

may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our product candidates. To the extent we seek regulatory approval in foreign countries, we may face challenges similar to those described above with regulatory authorities in applicable jurisdictions. Any delay in obtaining, or inability to obtain, applicable regulatory approval for any of our product candidates would delay or prevent commercialization of our product candidates and would materially adversely impact our business, results of operations and **prospects. Even if DCCR receives regulatory approval, it may fail to achieve the degree of marketing--- market testing requirements acceptance by physicians, patients, caregivers, healthcare payers and others in the medical community necessary for commercial success. If DCCR receives regulatory approval from the FDA or other regulatory agencies in jurisdictions in which it is not currently approved, it may nonetheless fail to gain sufficient market acceptance by physicians, hospital administrators, patients, healthcare payers and others in the medical community. The degree of market acceptance of DCCR, if approved for commercial sale, will depend on a number of factors, including the following:**

- the incidence and severity of any side effects;
- have regulatory authorities withdraw their approval of the product or impose restrictions on its effectiveness distribution in the form of a risk evaluation and mitigation strategy (REMS) **potential advantages compared to alternative treatments**;
- be subject to the **price we charge** addition of labeling statements, such as warnings or for contraindications **DCCR**;
- become subject **the willingness of physicians to litigation change their current treatment practices**;
- or experience damage **convenience and ease of administration compared to alternative treatments**;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- patients' perception of the efficacy of DCCR and interest in remaining on- drug long- term;
- the strength ~~our- or reputation~~ effectiveness of marketing and distribution support of partners; and
- the availability of third- party coverage or reimbursement.

If the market opportunity Any " topline", interim, initial, or ~~for preliminary data~~ **DCCR is smaller than we believe it is, then our revenues may be adversely affected, and our business may suffer. PWS is a rare disease, and as such, our projections of both the number of people who have this disease, as well as the subset of people with PWS who have the potential to benefit from treatment with DCCR, our clinical trials that we announce or publish from time to time may change as more patient data become available and are estimates** subject to audit and verification procedures that could result in material changes in the final data. From time to time, we may publicly disclose preliminary or topline data from our nonclinical studies and clinical trials, which is based on **data** a preliminary analysis of then- **the reported patient population. If** available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or **our clinical trial. We also make assumptions, estimations estimates**, calculations and conclusions as part of **the prevalence of PWS, our- or analyses of data, and we may not have received or had the number of patients who may benefit from treatment with DCCR prove to be incorrect, the market** opportunity to fully and carefully evaluate all data. As a result, the topline or ~~for preliminary results~~ **DCCR may be smaller than we believe it** report may differ from future results of..... **regarding a particular study or clinical trial** is based on what is typically extensive information, and investors or **our prospects** regulatory authorities may not agree with what we determine is material or otherwise appropriate information to include in our disclosure. If the interim, topline, or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for **generating revenue**, and commercialize, our product candidates may be **adversely affected and harmed, which could harm our business may suffer**, operating results, ~~prospects or financial condition~~. If we are unable to execute our sales and marketing strategy for our products **or**, and are unable to gain acceptance in the market, we may be unable to generate sufficient revenue to sustain our business. Although we believe that DCCR represents a promising commercial opportunity, DCCR may never gain significant acceptance in the marketplace and therefore may never generate substantial revenue or profits for us. We will need to establish a market for DCCR globally and build these markets through physician education, awareness programs, and other marketing efforts. Gaining acceptance in medical communities depends on a variety of factors, including clinical data published or reported in reputable contexts, **the provisions of the approved label for DCCR**, and word- of- mouth between physicians. The process of publication in leading medical journals is subject to a peer review process and peer reviewers may not consider the results of our **studies-trials** sufficiently novel or worthy of publication. Failure to have our **studies-trials** published in peer- reviewed journals may limit the adoption of our products. Our ability to successfully market our products will depend on numerous factors, including:

- the outcomes of clinical utility **studies-trials** of such products in collaboration with key thought leaders to demonstrate our products' value in informing important medical decisions such as treatment selection;
- the success of our distribution partners;
- whether healthcare providers believe DCCR provides clinical utility; and
- whether health insurers, government health programs and other payers will cover and pay for DCCR and, if so, whether they will adequately reimburse us. We may rely ~~on third parties~~, who we do not control, to distribute and sell DCCR. If these distributors are not committed to DCCR or otherwise run into their own financial or other difficulties, it may result in failure to achieve widespread market acceptance of DCCR, and would materially harm our business, financial condition and results of operations. If we are unable to implement our sales, marketing, distribution, training and support strategies or enter into agreements with third parties to perform these functions, we will not be able to effectively commercialize DCCR and may not reach profitability. We have a limited sales and marketing infrastructure and have no experience **as a company** in the sale, marketing or distribution of therapeutic products. To achieve commercial success for DCCR, if and when we obtain marketing approval, we will need to establish a robust sales and marketing organization. **We have begun** In the future, we expect to build a targeted sales, marketing, training and support infrastructure to market DCCR in the U. S. and to establish **relationships with** collaborations to market, distribute and support DCCR outside of the U. S. There are risks involved with establishing our own sales, marketing, distribution, training and support capabilities. For example, recruiting and training sales and marketing personnel is expensive and time consuming and could delay any product launch. **Additionally commercialization of therapeutic products is subject to a variety of regulations regarding the manner in which potential customers may be engaged, the manner in which**

products may be lawfully advertised, and the claims that can be made for the benefits of the product, among other things. Our lack of experience with product launches may expose us to a higher than usual level of risk of non-compliance with these regulations, with consequences that may include fines or the removal of our approved products from the marketplace by regulatory authorities. If the commercial launch of DCCR is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales, marketing, training and support personnel. Factors that may inhibit our efforts to commercialize DCCR on our own include: • our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel; • the inability of sales personnel to obtain access to or persuade adequate numbers of physicians to prescribe DCCR or any future products; • the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; • unforeseen costs and expenses associated with creating an independent sales and marketing organization; and • efforts by our competitors to commercialize products at or about the time when our product candidates would be coming to market. If we are unable to establish our own sales, marketing, distribution, training and support capabilities and instead enter into arrangements with third parties to perform these services, our product revenues and our profitability, if any, are likely to be lower than if we were to market, sell and distribute DCCR ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute DCCR or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to commercialize DCCR effectively. If we do not establish sales, marketing, distribution, training and support capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing DCCR and achieving profitability, and our business would be harmed. If physicians decide not to **prescribe DCCR** ~~order our products~~ in significant numbers, we may be unable to generate sufficient revenue to sustain our business. To generate demand for **DCCR** ~~our current and planned products~~, we will need to educate physicians and other health care professionals on the clinical utility, benefits and value of the tests we provide through published papers, presentations at scientific conferences, educational programs and one-on-one education sessions by members of our sales force. In addition, we will need support of physicians, hospital administrators, patients, healthcare ~~payors~~ **payors** and others in the medical community that the clinical and economic utility of our products justifies payment for DCCR at adequate pricing levels. We **will** need to hire additional commercial, scientific, technical and other personnel to support this process. **We** may attempt to form partnerships with respect to our products, but we may not be able to do so, which may cause us to alter our development and commercialization plans and may cause us to terminate any such programs. We may form strategic alliances, create joint ventures or collaborations, or enter into licensing agreements with third parties that we believe will more effectively provide resources to develop and commercialize **DCCR** ~~our programs~~. If we attempt to seek appropriate strategic partners, we may face significant competition, and the negotiation process to secure favorable terms is time-consuming and complex. We may not be successful in our efforts to establish such a strategic partnership for any future products and programs on terms that are acceptable to us, or at all. Any delays in identifying suitable collaborators and entering into agreements to develop or commercialize our ~~future~~ products could negatively impact the development or commercialization of our ~~future~~ products, particularly in geographic regions like the Europe, where we do not currently have development and commercialization infrastructure. Absent a partner or collaborator, we would need to undertake development or commercialization activities at our own expense. If we elect to fund and undertake development and commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we are unable to do so, we may not be able to develop our ~~future~~ products or bring them to market, and our business may be materially and **adversely affected**. If clinical ~~studies~~ **trials** of any of our planned products, **including DCCR**, fail to demonstrate safety and effectiveness to the satisfaction of the FDA or similar regulatory authorities outside the U. S. or do not otherwise produce positive results, we may incur additional costs, experience delays in completing or ultimately fail in completing the development and commercialization of our planned products. Before obtaining regulatory approval for the sale of any planned product we must conduct extensive clinical ~~studies~~ **trials** to demonstrate **that** ~~the safety and effectiveness of our planned products~~ **product in humans candidate is safe and effective for its intended use**. Clinical ~~studies~~ **trials** are expensive, difficult to design and implement, can take many years to complete and are uncertain as to outcome. A failure of one or more of our clinical ~~studies~~ **trials** could occur at any stage of testing. Numerous unforeseen events during, or as a result of, clinical ~~studies~~ **trials** could occur, which would delay or prevent our ability to receive regulatory approval or commercialize any of our planned products, including the following: • clinical ~~studies~~ **trials** may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical ~~studies~~ **trials** or abandon product development programs; • the number of patients required for clinical ~~studies~~ **trials** may be larger than we anticipate, enrollment in these clinical ~~studies~~ **trials** may be insufficient or slower than we anticipate, or patients may drop out of these clinical ~~studies~~ **trials** at a higher rate than we anticipate; • the cost of clinical ~~studies~~ **trials** or the manufacturing of our planned products may be greater than we anticipate; including due to inflationary pressures outside of our control; • third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all; • we might have to suspend or terminate clinical ~~studies~~ **trials** of our planned products for various reasons, including a finding that our planned products have unanticipated serious side effects or other unexpected characteristics or that the patients are being exposed to unacceptable health risks; • regulators may not approve our proposed clinical development plans; • regulators or independent institutional review boards (IRBs) **or independent ethics committees (IECs)**, may not authorize us or our investigators to commence a clinical ~~study~~ **trial** or conduct a clinical ~~study~~ **trial** at a prospective ~~study~~ **site**; • regulators or IRBs **/ IECs** may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements; and • the supply or quality of our planned products or other materials necessary to conduct clinical ~~studies~~ **trials** of our planned products may be insufficient or inadequate. If we or any future collaboration

partners are required to conduct additional clinical trials or other testing of any planned products beyond those that we contemplate, if those clinical studies-trials or other testing cannot be successfully completed, if the results of these studies-trials or tests are not positive or are only modestly positive or if there are safety concerns, we may: • be delayed in obtaining marketing approval for our planned products; • not obtain marketing approval at all; • obtain approval for indications that are not as broad as intended; • have the product removed from the market after obtaining marketing approval; • be subject to additional post- marketing testing requirements; or • be subject to restrictions on how the product is distributed or used. Our product development costs will also increase if we experience delays in testing or approvals. We do not know whether any future clinical studies-trials for DCCR will be required by the FDA or EMA or whether such clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant clinical study-trial delays also could shorten any periods during which we may have the exclusive right to commercialize our planned products or allow our competitors to bring products to market before we do, which would impair our ability to commercialize our planned products and harm our business and results of operations. If we fail to obtain regulatory approval..... and our business would be harmed. Clinical drug development involves a lengthy and expensive process with an uncertain outcome, results of earlier studies and trials may not be predictive of future trial results, and our clinical trials may fail to adequately demonstrate the safety and efficacy of DCCR or other potential product candidates. **Before obtaining regulatory approvals for the commercial sale of our product candidates, we must obtain data through lengthy, complex and expensive nonclinical studies and clinical trials for regulatory authorities to assess if our product candidates are both safe and effective for each target indication. Nonclinical and clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the nonclinical study and clinical trial processes. The results of nonclinical studies and early clinical trials of our product candidates may not be predictive of the results of later- stage clinical trials. Although product candidates may demonstrate promising results in nonclinical studies and early clinical trials, they may not prove to be safe or effective in subsequent clinical trials. For example, testing on animals occurs under different conditions than testing in humans and therefore, the results of animal studies may not accurately predict safety and effectiveness in humans. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through nonclinical studies and clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through nonclinical studies and initial clinical trials. Further, clinical trial disruptions or protocol deviations during the COVID- 19 pandemic may introduce bias or other factors that can impact the reliability of our clinical data collected at the peak of the COVID- 19 public health emergency. Earlier conducted smaller- scale studies, biomarker analyses, and clinical trials with a single or relatively few clinical trial sites may not be predictive of eventual outcomes in large- scale, placebo- controlled, pivotal clinical trials across multiple clinical trial sites. Even if data from a pivotal clinical trial are positive, regulators may not agree that such data are sufficient for approval and may require that we conduct additional clinical trials (including potential Phase 3 trials) or generate other forms of confirmatory evidence, which could materially delay our anticipated development timelines, require additional funding for such additional clinical trials or confirmatory studies, and adversely impact our business. If the results of our current and future clinical trials are inconclusive with respect to the efficacy of our product candidates, including DCCR, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates, we may: • incur unplanned costs; • be delayed in or prevented from obtaining marketing approval for our product candidates; • obtain approval for indications or patient populations that are not as broad as intended or desired; • obtain approval with labeling that includes significant use or distribution restrictions or safety warnings including boxed warnings; • be subject to changes in the way the product is administered; • be required to perform additional clinical trials to support approval or be subject to additional post- marketing testing requirements; • have regulatory authorities withdraw their approval of the product or impose restrictions on its distribution in the form of a risk evaluation and mitigation strategy (REMS); • be subject to the addition of labeling statements, such as warnings or contraindications; • become subject to litigation; or • experience damage to our reputation.** Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. A failure of one or more of our clinical trials can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later stage clinical trials. There is a high failure rate for drugs proceeding through clinical trials, and product candidates in later stages of clinical trials may fail to show the required safety and efficacy despite having progressed through preclinical studies and initial clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier clinical trials, and we cannot be certain that we will not face similar setbacks. Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval for our product candidates. We may experience delays in our clinical trials. We do not know whether future clinical trials, if any, will begin on time, need to be redesigned, enroll an adequate number of patients in a timely manner or be completed on schedule, if at all. Clinical trials can be delayed, suspended or terminated for a variety of reasons, including failure to: • generate sufficient nonclinical, toxicology, or other in vivo or in vitro data, or clinical safety data to support the initiation or continuation of clinical trials; • obtain regulatory approval, or feedback on trial design, to commence a trial; • identify, recruit and train suitable clinical investigators; • reach agreement on acceptable terms with prospective contract research organizations (CROs), and clinical trial sites; • obtain and maintain IRB /IEC approval at each clinical trial site; • identify, recruit and enroll suitable patients to participate in a trial; • have a sufficient number of patients complete a trial and / or return for post- treatment follow- up; • ensure clinical investigators observe trial protocol or continue to participate in a trial; • address any patient safety concerns that arise during the course of a trial; • address any conflicts or compliance with new or existing laws, rule, regulations or guidelines; • have a sufficient number of clinical trial sites to conduct the trials; • timely

manufacture sufficient quantities of product candidate suitable for use at the stage of clinical development; or • raise sufficient capital to fund a trial. Patient enrollment is a significant factor in the timing of clinical trials and is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians' and patients' or caregivers' perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating or any investigational new drugs or treatment under development for the indications we are investigating. We could also encounter delays if a clinical trial is suspended or terminated by us, by a data safety monitoring board for such trial or by the FDA or any other regulatory authority, or if the IRBs / IECs of the institutions in which such trials are being conducted suspend or terminate the participation of their clinical investigators and sites subject to their review. Such authorities may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience delays in the completion of, or termination of, any clinical trial of our product candidates for any reason, the commercial prospects of our product candidates may be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may significantly harm our business, financial condition and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates. **Any " topline ", interim, initial, or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data. From time to time, we may publicly disclose preliminary or topline data from our nonclinical studies and clinical trials, which is based on a preliminary analysis of then- available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or clinical trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data become available. Furthermore, regulatory agencies may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and investors or regulatory authorities may not agree with what we determine is material or otherwise appropriate information to include in our disclosure. If the interim, topline, or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain regulatory approval for DCCR-, and commercialize, or our other potential product candidates may be harmed, which - The denial or delay of any such approval would - could harm delay commercialization and have a material adverse effect on our potential to generate revenue, our business and our , operating results of operations. The research, development, testing, manufacturing, labeling..... our business, results of operations and prospects - Even if any planned products receive regulatory approval, these products may fail to achieve the degree of market acceptance by physicians, patients, caregivers, healthcare payors and others in the medical community necessary for - or financial condition commercial success. If any planned products..... business may be materially and adversely affected .** Our product candidates may cause serious adverse side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial desirability of an approved label or result in significant negative consequences following any marketing approval. The risk of failure of clinical development is high. It is impossible to predict when or if any planned product candidates will prove safe enough to receive regulatory approval. Undesirable side effects caused by any of our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials or could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign regulatory authority. Additionally, if any of our planned products receives additional marketing approvals, and we or others later identify undesirable side effects caused by such product, a number of potentially significant negative consequences could result, including: • we may be forced to recall such product and suspend the marketing of such product; • regulatory authorities may withdraw their approvals of such product; • regulatory authorities may require additional warnings on the label that could diminish the usage or otherwise limit the commercial success of such products; • the FDA or other regulatory bodies may issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings about such product; • the FDA may require the establishment or modification of Risk Evaluation Mitigation Strategies or a comparable foreign regulatory authority may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of our products and impose burdensome implementation

requirements on us; • we may be required to change the way the product is administered or conduct additional clinical trials; • we could be sued and held liable for harm caused to subjects or patients; • we may be subject to litigation or product liability claims; and • our reputation may suffer. Any of these events could prevent us from achieving or maintaining market acceptance of the particular planned product, if approved. We face competition, which may result in others discovering, developing or commercializing products before we do, or more successfully than we do. Alternatives ~~exist for our~~ product candidates **are being developed by our competitors** and we will likely face competition with respect to any planned products that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies, medical device companies, and biotechnology companies worldwide. These companies may reduce prices for their competing drugs in an effort to gain or retain market share and undermine the value our products might otherwise be able to offer to payers. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization. Many of these competitors are attempting to develop therapeutics for our target indications. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified technical and management personnel, establishing clinical **study trial** sites and patient registration for clinical **studies trials**, as well as in acquiring technologies complementary to, or necessary for, our programs. There has recently been increased activity in the development of drugs to treat PWS. We are aware of **eight at least nine** other current or proposed clinical trials evaluating PWS therapies, **including with glucagon-like peptide- 1 (GLP- 1) receptors in patients with PWS**. Even if we are able to engage partners in commercializing our products, they may become subject to unfavorable pricing regulations, third- party reimbursement practices or healthcare reform initiatives, thereby harming our business. The regulations that govern marketing approvals, pricing and reimbursement for new products vary widely from country to country. Some countries require approval of the sale price of a product before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product and negatively impact the revenue we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more planned products, even if our planned products obtain regulatory approval. Our ability to commercialize our products successfully also will depend in part on the extent to which reimbursement for these products and related treatments becomes available from government health administration authorities, private health insurers and other organizations. Government authorities and third- party payers, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U. S. healthcare industry and elsewhere is cost containment. Government authorities and these third- party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. We cannot be sure that reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any product for which we obtain marketing approval. Obtaining reimbursement for our products may be particularly difficult because of the higher prices often associated with products administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any planned product that we successfully develop. In the U. S., eligibility for reimbursement does not imply that any product will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim payments for new products, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the product and the clinical setting in which it is used, may be based on payments allowed for lower cost products that are already reimbursed and may be incorporated into existing payments for other services. Net prices for products may be reduced by mandatory discounts or rebates required by government healthcare programs or private payers and by any future relaxation of laws that presently restrict imports of products from countries where they may be sold at lower prices than in the U. S. Third- party payers often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government funded and private payers for new products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition. In some foreign countries, including major markets in Europe and Japan, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take nine to twelve months or longer after the receipt of regulatory marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost- effectiveness of our product to other available therapies. Our business could be materially harmed if reimbursement of our products, if any, is unavailable or limited in scope or amount or if pricing is set at unsatisfactory levels. We may become exposed to costly and damaging liability claims, either when testing our product candidates in clinical trials or at the commercial stage after regulatory approval, and our product liability insurance may not cover all damages arising from such claims. Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop. We are exposed to potential product liability and professional indemnity risks that are inherent in the research, development, manufacturing, marketing, sale and use of pharmaceutical products, including maintaining consistent quality, safety and efficacy profiles for our products and product candidates. The marketing, sale and use of our products could lead to the filing of product liability claims against us if someone alleges that our products or product candidates failed to perform as intended. We may also be subject to liability for a misunderstanding of, or inappropriate reliance upon, the information we provide. These claims might be made by patients that use the products or product candidates, healthcare providers, pharmaceutical companies, or others

selling such products. Any claims against us, regardless of their merit, could be costly to defend and could materially adversely affect the market for our product candidates or any prospects for commercialization of our product candidates. Although the clinical trial process is designed to identify and assess potential side effects, it is always possible that a drug, even after regulatory approval, may exhibit unforeseen side effects. Physicians and patients may not comply with any warnings that identify known potential adverse effects and patients who should not use our product candidates. If any of our product candidates were to cause adverse side effects during clinical trials or after approval, we may be exposed to substantial liabilities. If we cannot successfully defend ourselves against claims that our products caused injuries, we may incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in: • decreased demand for any planned products that we may develop; • injury to our reputation and significant negative media attention; • withdrawal of patients from clinical ~~studies~~ **trials** or cancellation of ~~studies~~ **clinical trials**; • significant costs to defend the related litigation and distraction to our management team; • substantial monetary awards to patients; • loss of revenue; and • the inability to commercialize any products that we may develop. We currently hold \$ ~~8-10~~ **10** million in product liability insurance coverage, which may not be adequate to cover all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise ~~to significant costs and may divert our management and business~~ development resources. Future growth would impose significant added responsibilities on members of management, including: • managing our clinical trials effectively, which we anticipate being conducted at numerous clinical sites; • identifying, recruiting, maintaining, motivating and integrating additional employees with the expertise and experience we will require; • managing our internal development efforts effectively while complying with our contractual obligations to licensors, licensees, contractors and other third parties; • managing additional relationships with various strategic partners, suppliers and other third parties; • improving our managerial, development, operational and finance reporting systems and procedures; and • expanding our facilities. Our failure to accomplish any of these tasks could prevent us from successfully growing. Any inability to manage growth could delay the execution of our business plans or disrupt **our operations. Because we intend to commercialize our products**. The loss of key members of our executive management team could adversely affect our business. Our success in implementing our business strategy depends largely on the skills, experience and performance of key members of our executive management team and others in key management positions. The collective efforts of each of these persons, and others working with them as a team, are critical to us as we continue to develop our technologies, tests and research and development and sales programs. As a result of the difficulty in locating qualified new management, the loss or incapacity of existing members of our executive management team could adversely affect our operations. If we were to lose one or more of these key employees, we could experience difficulties in finding qualified successors, competing effectively, developing our technologies and implementing our business strategy. Our **executive** officers all have employment agreements; however, the existence of an employment agreement does not guarantee retention of members of our executive management team and we may not be able to retain those individuals for the duration of or beyond the end of their respective terms. We do not currently maintain “key person” life insurance on any of our employees. In addition, we rely on collaborators, consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our collaborators, consultants and advisors are generally employed by employers other than us and may have commitments under agreements with other entities that may limit their availability to us. There is a scarcity of experienced professionals in our industry. If we are not able to retain and recruit personnel with the requisite technical skills, we may be unable to successfully execute our business strategy. The specialized nature of our industry results in an inherent scarcity of experienced personnel in the field. Our future success depends upon our ability to attract and retain highly skilled personnel, including scientific, technical, commercial, business, regulatory and administrative personnel, necessary to support our anticipated growth, develop our business and perform certain contractual obligations. Given the scarcity of professionals with the scientific knowledge that we require and the competition for qualified personnel among biotechnology businesses, we may not succeed in attracting or retaining the personnel we require to continue and grow our operations. ~~We may acquire other businesses or form..... could assume unknown or contingent liabilities. Any future acquisitions also could result in significant write-offs or the incurrence of debt and contingent liabilities, any of which could have a material adverse effect on our financial condition, results of operations and cash flows. Integration of an acquired company also may disrupt ongoing operations and require management resources that would otherwise focus on developing~~ **development** ~~our existing business. We may experience..... operation of our business~~ Any future **distribution** or commercialization agreements we may enter into for our products may place the development **or distribution** of these products outside our control, may require us to relinquish important rights, or may otherwise be on terms unfavorable to us. We may enter into distribution or commercialization agreements with third parties with respect to our products. Our likely collaborators for any distribution, marketing, licensing or other collaboration arrangements include large and mid- size companies, regional and national companies, and distribution or group purchasing organizations. We will have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our products. Our ability to generate revenue from these arrangements will depend in part on our collaborators’ abilities to successfully perform the functions assigned to them in these arrangements. Collaborations involving our products are subject to numerous risks, which may include the following: • collaborators have significant discretion in determining the efforts and resources that they will apply to any such collaborations; • collaborators may not pursue development and commercialization of our products, or may elect not to continue or renew efforts based on clinical ~~study-trial~~ results, changes in their strategic focus for a variety of reasons, potentially including the acquisition of competitive products, availability of funding, and mergers or acquisitions that divert resources or create competing priorities; • collaborators may delay clinical ~~studies-trials~~ **studies trials**, provide insufficient funding for a clinical ~~study-trial~~ program, stop a clinical ~~study-trial~~ **study trial**, abandon a product, repeat or conduct new clinical ~~studies-trials~~ **studies trials** or require a new engineering iteration of a product for clinical testing; • collaborators could independently develop, or develop with third parties, products that compete directly or

indirectly with our products; • a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution; • collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability; • disputes may arise between us and a collaborator that causes the delay or termination of the research, development or commercialization of our products or that results in costly litigation or arbitration that diverts management attention and resources; • collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable products; and • collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property. Any termination or disruption of collaborations could result in delays in the development of products, increases in our costs to develop the products or the termination of development of a product. **Because** ~~We expect to expand our development, regulatory and sales and marketing capabilities, and as a result, we intend may encounter difficulties in managing our growth, which could disrupt our operations. As of December 31, 2023, we had 33 employees and 9 full-time or part-time consultants. Over the next several years, we expect to do~~ **experience significant growth in the number of..... costs and may divert our management and business development resources. Future growth would impose.....** ~~Because we intend to commercialize our products~~ outside the U. S., we will be subject to additional risks. A variety of risks associated with international operations could materially adversely affect our business, including: • different regulatory requirements for drug approvals in foreign countries; • reduced protection for intellectual property rights; • unexpected changes in tariffs, trade barriers, trade restrictions, export or import sanctions, and regulatory requirements; • economic weakness, including inflation or political instability in particular foreign economies and markets; • compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; • foreign taxes, including withholding of payroll taxes; • foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country; • workforce uncertainty in countries where labor unrest is more common than in the U. S.; • production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and • business interruptions resulting from geopolitical actions, including war and terrorism, including the outbreak of hostilities in the Ukraine, the Middle East, or natural disasters including earthquakes, typhoons, floods and fires. In particular, there is currently significant uncertainty about the future relationship between the United States and various other countries, ~~most significantly China,~~ with respect to trade policies, treaties, tariffs, taxes and other limitations on cross-border operations. ~~The U. S. government~~ **Since beginning his second term in office, President Trump** has made and continues to make significant additional changes in U. S. trade policy and may continue to take future actions that could negatively impact U. S. trade. ~~For example~~ **Such trade policies and tariff implementations** ~~legislation has been introduced and any related retaliatory trade policies and tariff implementations by foreign governments, may result in Congress any materials that we import to the limit certain U. S. biotechnology companies from using equipment~~ **countries subject to tariffs becoming more expensive or increase the price of DCCR in** ~~services produced or provided by select Chinese biotechnology companies, and others~~ ~~other in Congress~~ **countries, which could have a material adverse impact on our** ~~advocated for the use of existing executive branch authorities to limit those Chinese service providers' ability to engage in business in the U. S.,~~ **financial condition and results of operations**. We cannot predict what actions may ultimately be taken with respect to trade relations between the United States and ~~China or~~ other countries, what products and services may be subject to such actions or what actions may be taken by the other countries in retaliation. If we are unable to obtain or use services from existing service providers or become unable to export or sell our products to any of our customers or service providers, our business, liquidity, financial condition, and results of operations would be materially and adversely affected. We regulatory authorities, which would require additional financial and management resources. Our ability to successfully implement our business plan and comply with Section 404 requires us to be able to prepare timely and accurate financial statements. We expect that we will need to continue to improve existing, and implement new operational and financial systems, procedures and controls to manage our business effectively. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures or controls, may cause our operations to suffer and we may be unable to conclude that our internal control over financial reporting is effective. This, in turn, rely on third parties to conduct certain components of our clinical ~~studies~~ **trials**, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such studies. We rely on third parties, such as CROs, investigational product packaging, labeling and distribution, laboratories, medical institutions and clinical investigators and staff, to perform various functions for our clinical trials. Our reliance on these third parties for clinical development activities reduces our control over these activities but does not relieve us of our responsibilities. We remain responsible for ensuring that each of our clinical ~~studies~~ **trials** is conducted in accordance with the general investigational plan and protocols for the study. Moreover, the FDA requires us and third parties involved in the set-up, conduct, analysis and reporting of the clinical ~~studies~~ **trials** to comply with regulations and with standards, commonly referred to as good clinical practices (GCPs), to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of patients in clinical ~~studies~~ **trials** are protected. Our clinical investigators are also required to comply with GCPs. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical ~~studies~~ **trials** in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, regulatory approvals for our planned products and will not be able to, or may be delayed in our efforts to, successfully commercialize our planned products. If we use biological and hazardous materials in a manner that causes injury, we could be liable for damages. Our manufacturing processes currently require the controlled use of potentially harmful chemicals. We cannot eliminate the risk of accidental contamination or injury to employees or third parties from the use, storage, handling or disposal of these materials. In the event of contamination or injury, we could

be held liable for any resulting damages, and any liability could exceed our resources or any applicable insurance coverage we may have. Additionally, we are subject to, on an ongoing basis, federal, state and local laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. The cost of compliance with these laws and regulations may become significant and could have a material adverse effect on our financial condition, results of operations and cash flows. In the event of an accident or if we otherwise fail to comply with applicable regulations, we could lose our permits or approvals or be held liable for damages or penalized with fines. Risks related to intellectual property Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business. Our commercial success depends in part on our avoiding infringement and other violations of the patents and proprietary rights of third parties. Patent and other intellectual property litigation is prevalent in our sectors. There is a substantial amount of litigation, both within and outside the U. S., involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, derivation and administrative law proceedings, inter partes review and post- grant review before the U. S. Patent and Trademark Office (USPTO), as well as oppositions and similar processes in foreign jurisdictions. Our commercial success depends upon our ability and the ability of our distributors, contract manufacturers, and suppliers to manufacture, market, and sell our planned products, and to use our proprietary technologies without infringing, misappropriating or otherwise violating the proprietary rights or intellectual property of third parties. As the biotechnology and pharmaceutical industries expand and more patents are issued, and as we gain greater visibility and market exposure, the risk increases that our commercialization of DCCR or other business activities may be subject to claims of infringement of the patent and other proprietary rights of third parties. Third parties may assert that we are infringing their patents or employing their proprietary technology without authorization. We may become party to, or be threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products. Third parties may assert infringement claims against us based on existing or future intellectual property rights. If we are found to infringe a third- party' s intellectual property rights, we could be required to obtain a license from such third- party to continue developing and marketing our products. We may also elect to enter into such a license in order to settle pending or threatened litigation. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non- exclusive, thereby giving our competitors access to the same intellectual property licensed to us and could require us to pay significant royalties and other fees. Also, there may be third- party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of DCCR. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our product may infringe. In addition, third parties may obtain patent rights in the future and claim that use of our products infringes upon these rights. If any third- party patents were held by a court of competent jurisdiction to cover the manufacturing process of DCCR, any molecules formed during the manufacturing process or any final product itself, the holders of any such patents may be able to block our ability to commercialize DCCR unless we obtained a license under the applicable patents, or until such patents expire. Similarly, if any third- party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy, the holders of any such patent may be able to block our ability to develop and commercialize our product unless we obtained a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all. In addition, we may be subject to claims that we are infringing other intellectual property rights, such as trademarks or copyrights, or misappropriating the trade secrets of others, and to the extent that our employees, consultants or contractors use intellectual property or proprietary information owned by others in their work for us, disputes may arise as to the rights in related or resulting know- how and inventions. We could be forced, including by court order, to cease commercializing the infringing product. In addition, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our planned products or force us to cease some of our business operations, which could materially harm our business. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful infringement or other intellectual property claim against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Even if we are successful in defending against intellectual property claims, litigation or other legal proceedings relating to such claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce our resources available for development activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of litigation or other intellectual property related proceedings could have a material adverse effect on our ability to compete in the marketplace. Our ability to successfully commercialize our products may be materially adversely affected if we are unable to obtain and maintain effective intellectual property rights for our planned products, or if the scope of the intellectual property protection is not sufficiently broad. Our success depends in large part on our ability to obtain and maintain patent and other intellectual property protection in the U. S. and in other countries with respect to our proprietary products. The patent position of pharmaceutical companies generally is highly uncertain and involves complex legal and factual questions for which legal principles remain unresolved. In recent years patent rights have been the subject of

significant litigation. As a result, the issuance, scope, validity, enforceability and commercial value of the patent rights we rely on are highly uncertain. Pending and future patent applications may not result in patents being issued which protect our products or which effectively prevent others from commercializing competitive products. The laws of foreign countries may not protect our rights to the same extent as the laws of the U. S. For example, many countries restrict the patentability of methods of treatment of the human body. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U. S. and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we or were the first to file for patent protection of such inventions. As a result of these and other factors, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect products, in whole or in part, or which effectively prevent others from commercializing competitive products. Changes in either the patent laws or interpretation of the patent laws in the U. S. and other countries may diminish the value of the patents we rely on or narrow the scope of our patent protection. Moreover, we may be subject to a third- party pre- issuance submission of prior art to the USPTO or become involved in opposition, derivation, reexamination, inter partes review, post- grant review or interference proceedings challenging our patent rights or the patent rights of others. The costs of defending our patents or enforcing our proprietary rights in post- issuance administrative proceedings and litigation can be substantial and the outcome can be uncertain. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third- party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize DCCR. Even if the patent applications we rely on issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non- infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and the patents we rely on may be challenged in the courts or patent offices in the U. S. and abroad. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Generally, issued patents are granted a term of 20 years from the earliest claimed non- provisional filing date. In certain instances, patent term can be adjusted to recapture a portion of delay by the USPTO in examining the patent application (patent term adjustment) or extended to account for term effectively lost as a result of the FDA regulatory review period (patent term extension), or both. The scope of patent protection may also be limited. Without patent protection for DCCR, we may be open to competition from generic versions of DCCR. Given the amount of time required for the development, testing and regulatory review of new planned products, patents protecting such products might expire before or shortly after such products are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours or otherwise provide us with a competitive advantage. The scope, validity, enforceability, and commercial value of trademark rights are also uncertain. Pending and future trademark applications may not be successful. We may become involved in legal proceedings to protect or enforce our intellectual property rights, which could be expensive, time- consuming, or unsuccessful. Competitors may infringe or otherwise violate the patents we rely on, or our other intellectual property rights including trademarks. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time- consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. In addition, in an infringement proceeding, a court may decide that a patent we are asserting is invalid or unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that the patents we are asserting do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not issuing. In patent litigation in the U. S., defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non- enablement, written description, or lack of patentable subject matter. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant material information from the USPTO, or made a materially misleading statement, during prosecution. Third parties may also raise similar validity claims before the USPTO in post- grant proceedings such as ex parte reexaminations, inter partes review or post- grant review, or oppositions or similar proceedings outside the U. S., in parallel with litigation or even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. We cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. For the patents and patent applications that we have licensed, we may have limited or no right to participate in the defense of any licensed patents against challenge by a third party. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of any future patent protection on our current or future vaccine candidates. Such a loss of patent protection could harm our business. We may not be able to prevent misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the U. S. Our business could be harmed if in litigation the prevailing party does not offer us a license on commercially reasonable terms. Any litigation or other proceedings to enforce our intellectual property rights may fail, and even if successful, may result in substantial costs and distract our management and other employees. Interference or derivation proceedings provoked by third parties or brought by the USPTO, or any foreign patent authority may be necessary to determine the priority of inventions or other matters of inventorship with

respect to patents and patent applications. We may become involved in proceedings, including oppositions, interferences, derivation proceedings interparty reviews, patent nullification proceedings, or re- examinations, challenging our patent rights or the patent rights of others, and the outcome of any such proceedings are highly uncertain. An adverse determination in any such proceeding could reduce the scope of, or invalidate, important patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third- party patent rights. Our business also could be harmed if a prevailing party does not offer us a license on commercially reasonable terms, if any license is offered at all. Litigation or other proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may also become involved in disputes with others regarding the ownership of intellectual property rights. If we are unable to resolve these disputes, we could lose valuable intellectual property rights. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical or management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. Uncertainties resulting from the initiation and continuation of intellectual property litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. If we are unable to protect the confidentiality of our trade secrets, the value of our technology could be materially adversely affected, harming our business and competitive position. In addition to our patented technology and products, we rely upon confidential proprietary information, including trade secrets, unpatented know- how, technology and other proprietary information, to develop and maintain our competitive position. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding our competitive position in the market. We seek to protect our confidential proprietary information, in part, by confidentiality agreements with our employees and our collaborators and consultants. We also have agreements with our employees and selected consultants that obligate them to assign their inventions to us. These agreements are designed to protect our proprietary information; however, we cannot be certain that our trade secrets and other confidential information will not be disclosed or that competitors will not otherwise gain access to our trade secrets, or that technology relevant to our business will not be independently developed by a person that is not a party to such an agreement. Furthermore, if the employees, consultants or collaborators that are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets through such breaches or violations. Further, our trade secrets could be disclosed, misappropriated or otherwise become known or be independently discovered by our competitors. In addition, intellectual property laws in foreign countries may not protect trade secrets and confidential information to the same extent as the laws of the U. S. If we are unable to prevent disclosure of the intellectual property related to our technologies to third parties, we may not be able to establish or maintain a competitive advantage in our market, which would harm our ability to protect our rights and have a material adverse effect on our business. We may not be able to protect or enforce our intellectual property rights throughout the world. Filing, prosecuting and defending patents and trademarks on all of our planned products throughout the world would be prohibitively expensive to us. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection but where enforcement is not as strong as in the U. S. These products may compete with our products in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business. The ongoing conflict in Ukraine and related sanctions could significantly devalue our Russian, Belarusian, and Eurasian patents and / or patent applications. Recent Russian decrees may also significantly limit our ability to enforce Russian patents. We cannot predict when or how this situation will change. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to make products that are similar to our current and planned products, but that are not covered by claims in our patents;
- the original filers of our patents that we developed or purchased might not have been the first to make the inventions covered by the claims contained in such patents;
- we might not have been the first to file patent applications covering an invention;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- pending patent applications may not lead to issued patents;
- issued patents may not provide us with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop or in- license additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business. Should any of these events occur, they could significantly harm

our business, results of operations and prospects. Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents or applications will be due to be paid by us to the USPTO and various governmental patent agencies outside of the U. S. in several stages over the lifetime of the patents or applications. The USPTO and various non-U. S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to use our technologies and this circumstance would have a material adverse effect on our business. Changes in U. S. patent law or the patent law of other countries or jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products. The U. S. has enacted and implemented wide-ranging patent reform legislation. The U. S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on actions by Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce patents that we have licensed or that we might obtain in the future. For example, recent decisions raise questions regarding the award of patent term adjustment (PTA) for patents in families where related patents have issued without PTA. Thus, it cannot be said with certainty how PTA will be viewed in future and whether patent expiration dates may be impacted. Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future. For example, the complexity and uncertainty of European patent laws have also increased in recent years. In Europe, a new unitary patent system took effect June 1, 2023, which will significantly impact European patents, including those granted before the introduction of such a system. Under the unitary patent system, European applications have the option, upon grant of a patent, of becoming a Unitary Patent which will be subject to the jurisdiction of the Unitary Patent Court (UPC). As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation. Patents granted before the implementation of the UPC have the ability to opt out of the jurisdiction of the UPC and remain as national patents in the UPC countries. Patents that remain under the jurisdiction of the UPC will be potentially vulnerable to a single UPC-based revocation challenge that, if successful, could invalidate the patent in all countries who are signatories to the UPC. We cannot predict with certainty the long-term effects of any potential changes. If we do not obtain a patent term extension in the U. S. under the Hatch-Waxman Act and in foreign countries under similar legislation, thereby potentially extending the term of our marketing exclusivity for our planned products, our business may be materially harmed. Depending upon the timing, duration and specifics of FDA marketing approval of our products, if any, one or more of the U. S. patents covering any such approved product (s) or the use thereof may be eligible for up to five years of patent term restoration under the Hatch-Waxman Act. The Hatch-Waxman Act allows a maximum of one patent to be extended per FDA approved product. Patent term extension also may be available in certain foreign countries upon regulatory approval of our planned products. Nevertheless, we may not be granted patent term extension either in the U. S. or in any foreign country because of, for example, our failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the term of extension, as well as the scope of patent protection during any such extension, afforded by the governmental authority could be less than we request. If we are unable to obtain patent term extension or restoration, or the term of any such extension is less than requested, the period during which we will have the right to exclusively market our product will be shortened and our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially. We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of their former employers or other third parties. From time to time we may employ individuals who were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Additionally, while we seek to protect our ownership of intellectual property rights by ensuring that our agreements with our employees, collaborators and other third parties with whom we do business include provisions requiring such parties to assign rights in inventions to us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of our employees' former employers or other third parties. These and other claims that we have misappropriated the confidential information or trade secrets of third parties can have a similar negative impact on our business to the infringement claims discussed above. Additionally, we may also be subject to claims that former employers or other third parties have an ownership interest in our patents. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and if we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees. Risks related to government regulation The regulatory approval process is expensive, time consuming and uncertain, and we may not be successful in obtaining approvals for our planned products. The research, testing, manufacturing, labeling,

approval, selling, import, export, marketing and distribution of our products are subject to extensive regulation by the FDA in the U. S. and other regulatory authorities in other countries, which regulations differ from country to country. We are not permitted to market our planned products in the U. S. until we received the requisite approval or clearance from the FDA. We have not submitted an application **NDA or for DCCR, but have not** received marketing approval for any planned products. Obtaining approvals from the FDA can be a lengthy, expensive and uncertain process. In addition, failure to comply with FDA and other applicable U. S. and foreign regulatory requirements may subject us to administrative or judicially imposed sanctions, including the following: • warning letters; • civil or criminal penalties and fines; • injunctions; • suspension or withdrawal of regulatory approval; • suspension of any ongoing clinical studies; • voluntary or mandatory product recalls and publicity requirements; • refusal to accept or approve applications for marketing approval of new drugs or biologics or supplements to approved applications filed by us; • restrictions on operations, including costly new manufacturing requirements; or • seizure or detention of our products or import bans. Prior to receiving approval to commercialize any of our planned products in the U. S. or abroad, we will be required to demonstrate with substantial evidence from well- controlled clinical **studies-trials**, and to the satisfaction of the FDA and other regulatory authorities abroad, that such planned products are safe and effective for their intended uses. Results from preclinical studies and clinical **studies-trials** can be interpreted in different ways. Even if we believe the preclinical or clinical data for our planned products are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. Administering any of our planned products to humans may produce undesirable side effects, which could interrupt, delay or cause suspension of clinical **studies-trials** of our planned products and result in the FDA or other regulatory authorities denying approval of our planned products for any or all targeted indications. Regulatory approval from the FDA is not guaranteed, and the approval process is expensive and may take several years. The FDA also has substantial discretion in the approval process. Despite the time and expense exerted, failure can occur at any stage, and we could encounter problems that cause us to abandon or repeat clinical **studies-trials** or perform additional preclinical studies and clinical **studies-trials**. The number of preclinical studies and clinical **studies-trials** that will be required for FDA approval varies depending on the planned product, the disease or condition that the planned product is designed to address and the regulations applicable to any particular planned product. The FDA can delay, limit or deny approval of a planned product for many reasons, including, but not limited to, the following: • a planned product may not be deemed safe or effective; • FDA officials may not find the data from preclinical studies and clinical **studies-trials** sufficient; • the FDA might not approve our or our third- party manufacturer' s processes or facilities; or • the FDA may change its approval policies or adopt new regulations. If any planned products fail to demonstrate safety and effectiveness in clinical **studies-trials** or do not gain regulatory approval, our business and results of operations will be materially and adversely harmed. Of the large number of drugs in development, only a small percentage successfully complete the FDA or comparable foreign regulatory approval processes and are commercialized. The lengthy approval processes as well as the unpredictability of future clinical trial results may result in our failing to obtain regulatory approval to market our product candidates, which would significantly harm our business, results of operations and prospects. Applications for our product candidates could fail to receive regulatory approval for many reasons, including the following: • the FDA or other comparable foreign regulatory authorities may disagree with the design, implementation or results of our clinical trials; • the FDA may reject some or all of our data from clinical **studies-trials** due to concerns related to bias, unblinding before statistical analysis plan is finalized, and / or reliability of data when the analysis is considered exploratory and not planned prospectively; • the FDA may not accept data pooled from different studies, especially if the studies features are not sufficiently similar; • the FDA finds that our data are not adequate to support the safety and efficacy of our product candidate for the proposed indication; • the FDA may disagree with our statistical analysis plan; • the FDA or other comparable foreign regulatory authorities may determine that our product candidates are not safe and effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use; • the population studied in the clinical trial may not be sufficiently broad or representative to assure efficacy and safety in the full population for which we seek approval; • the FDA or other comparable foreign regulatory authorities may disagree with our interpretation of data from nonclinical studies or clinical trials; • our clinical trials may not meet the statutory standard for substantial evidence of effectiveness or may fail to demonstrate statistical significance on the primary endpoint; • we may be unable to demonstrate to the FDA or other comparable foreign regulatory authorities that our product candidate' s risk- benefit ratio for its proposed indication is acceptable; • **changes in priorities, reduction in staffing, large staff turnover or inadequate funding for the FDA or comparable foreign regulatory authorities could hinder those agencies from performing normal business functions and increase the time necessary for regulatory submissions, such as our NDA for DCCR, to be reviewed and approved, or decrease the likelihood of an approval;** • the FDA or other comparable foreign regulatory authorities may fail to approve the manufacturing processes, test procedures and specifications or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and • the approval policies or regulations of the FDA or other comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval or resulting in delays in our regulatory approval. As noted above, we ~~have~~ received preliminary comments from the FDA for our pre- NDA meeting, and as we decided not to proceed with the meeting, they are considered the official record of the meeting. While the FDA has raised concerns regarding our clinical data, we believe the data has the potential to support **an-our** NDA for DCCR, ~~which we plan to submit in mid-2024~~. If the FDA disagrees with our interpretation of the data, or if we are required to conduct additional studies or clinical trials, our regulatory approval will be significantly delayed. This lengthy approval process, as well as the unpredictability of the results of clinical trials, may result in our failing to obtain regulatory approval to market DCCR, which would significantly harm our business, results of operations and prospects. In addition, even if we obtain approval of DCCR, regulatory authorities may approve DCCR for fewer or more limited indications than we initially request, or may impose significant limitations in the form of narrow indications, warnings, contraindications, or a risk evaluation and mitigation strategy (REMS). Regulatory authorities may not approve the price we

intend to charge for DCCR, may grant approval contingent on the performance of costly post- marketing clinical trials or other post- marketing studies, or may approve DCCR with a label that does not include the labeling claims necessary or desirable for the successful commercialization of DCCR. Any of the foregoing scenarios could seriously harm our business. We received fast track designation for DCCR for the treatment of PWS, and we may seek fast track designation for other product candidates in the future. Even if received, fast track designation may not actually lead to a faster review process or faster marketing approval. We aim to benefit from the FDA's fast track and priority review processes, and we previously received fast track designation for DCCR for the treatment of PWS **and priority review was granted for our NDA for DCCR**. Under ~~this~~ **the fast track** program, the FDA may initiate a rolling review of sections of a fast track- designated drug's NDA before the application is complete, although the FDA's performance goal for reviewing an application does not begin until the last section of the NDA is submitted. In addition, under the FDA's policies, a product candidate is eligible for priority review if it provides a significant improvement compared to marketed drugs in the treatment, diagnosis or prevention of a disease. ~~A fast track- designated drug candidate would ordinarily meet the FDA's criteria for priority review.~~ The fast track designation for DCCR, or for other future product candidates that we may develop, may not actually lead to a faster review process. Any delays in the review process or in the approval of DCCR or our future potential products will delay revenue from their potential sales and will have a material adverse impact on our business. Moreover, a fast track designation may be withdrawn by the FDA if the agency believes that the designation is no longer supported by data emerging in the clinical trial process. Even if we receive marketing approval for a planned product, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and subject us to penalties if we fail to comply with applicable regulatory requirements. Once marketing approval has been obtained, the approved product and its manufacturer are subject to continual review by the FDA or non- U. S. regulatory authorities. Future approvals may contain requirements for potentially costly post- marketing follow- up studies to monitor the safety and effectiveness of the approved product. In addition, we are subject to extensive and ongoing regulatory requirements by the FDA and other regulatory authorities with regard to the labeling, packaging, adverse event reporting, storage, advertising, promotion and recordkeeping for our products. In addition, we are required to comply with cGMP regulations regarding the manufacture of our drugs, which include requirements related to quality control and quality assurance as well as the corresponding maintenance of records and documentation. Further, regulatory authorities must approve these manufacturing facilities before they can be used to manufacture drug products, and these facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP regulations. If we or a third party discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory authority may impose restrictions on that product, the manufacturer or us, including requiring withdrawal of the product from the market or suspension of manufacturing. Once a pharmaceutical product is approved, a product will be subject to pervasive and continuing regulation by the FDA, EMA, and other health authorities, including, among other things, recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. The drug name will also be subject to review and approval by the FDA and other non- U. S. regulatory authorities. In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and generally require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon us and any third- party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance. Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market, though the FDA must provide an application holder with notice and an opportunity for a hearing in order to withdraw its approval of an application. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things: • restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls; • fines, warning letters or holds on post- approval clinical trials; • refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product approvals; • product seizure or detention, or refusal to permit the import or export of products; and • injunctions or the imposition of civil or criminal penalties. The FDA strictly regulates the marketing, labeling, advertising and promotion of drug and device products that are placed on the market. While physicians may prescribe drugs and devices for off label uses, manufacturers may only promote for the approved indications and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off label uses, and a company that is found to have improperly promoted off label uses may be subject to significant liability. Drugs that treat serious or life- threatening diseases and conditions that are not adequately addressed by existing drugs, and for which the development program is designed to address the unmet medical need, may be designated as fast track and / or breakthrough candidates by the FDA and may be eligible for accelerated and priority review. Drugs that are developed for rare diseases can be designated as Orphan Drugs. In the U. S., the disease or condition has an incidence of less than 200, 000 persons and in the E. U. the prevalence of the condition must be not more than 5 in 10, 000 persons. In the U. S., orphan- designated drugs are granted up to 7- year market exclusivity. In the E. U., products granted orphan designation are subject to reduced fees for protocol assistance, marketing authorization applications, inspections before authorization, applications for changes to marketing authorizations, and annual fees, access to the centralized authorization procedure, and 10 years of market exclusivity. Drugs are also subject to extensive regulation outside of the U. S. In the E. U., there is a centralized approval procedure that authorizes marketing of a product in all countries of the E. U. (which includes most major countries in the E. U.). If this centralized approval procedure is not used,

approval in one country of the E. U. can be used to obtain approval in another country of the E. U. under one of two simplified application processes: the mutual recognition procedure or the decentralized procedure, both of which rely on the principle of mutual recognition. After receiving regulatory approval through any of the E. U. registration procedures, separate pricing and reimbursement approvals are also required in most countries. The E. U. also has requirements for approval of manufacturing facilities for all products that are approved for sale by the E. U. regulatory authorities. Failure to obtain marketing approvals in foreign jurisdictions will prevent us from marketing our products internationally. We intend to seek distribution and marketing partners for our current products outside the U. S. and may market planned products in international markets. We have had limited interactions with foreign regulatory authorities. The approval procedures vary among countries and can involve additional clinical testing, and the time required to obtain approval may differ from that required to obtain FDA approval. Moreover, clinical **studies-trials** or manufacturing processes conducted in one country may not be accepted by regulatory authorities in other countries. Approval by the FDA does not ensure approval by regulatory authorities in other countries or regions, and approval by one or more foreign regulatory authorities does not ensure approval by regulatory authorities in other foreign countries or by the FDA. However, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in others. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval. We may not obtain foreign regulatory approvals on a timely basis, if at all. We may not be able to file for regulatory approvals and even if we file we may not receive necessary approvals to commercialize our products in any market. Healthcare reform measures could hinder or prevent our planned products' commercial success. In the U. S., there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system in ways that could affect our future revenue and profitability and the future revenue and profitability of our potential customers. Federal and state lawmakers regularly propose and, at times, enact legislation that would result in significant changes to the healthcare system, some of which are intended to contain or reduce the costs of medical products and services. For example, one of the most significant healthcare reform measures in decades, the Patient Protection and Affordable Care Act of 2010 (PPACA), was enacted in 2010. The PPACA contains a number of provisions, including those governing enrollments in federal healthcare programs, reimbursement changes and fraud and abuse measures, all of which will impact existing government healthcare programs and will result in the development of new programs. The PPACA, among other things: • could result in the imposition of injunctions; • requires collection of rebates for drugs paid by Medicaid managed care organizations; and • requires manufacturers to participate in a coverage gap discount program, under which they must agree to offer 50 % point- of- sale discounts off negotiated prices of applicable branded drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer' s outpatient drugs to be covered under Medicare Part D. Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the PPACA. In June 2021, the U. S. Supreme Court dismissed the most recent judicial challenge to the PPACA without specifically ruling on the constitutionality of the ACA. Thus, the ACA remains in force in its current form. Any changes to the PPACA are likely to have an impact on our results of operations and may have a material adverse effect on our results of operations. We cannot predict what other health care programs and regulations will ultimately be implemented at the federal or state level or the effect of any future legislation or regulation in the U. S. may have on our business. In addition, other legislative changes have been proposed and adopted since the PPACA was enacted. For example, the Budget Control Act of 2011, among other things, created the Joint Select Committee on Deficit Reduction to recommend proposals for spending reductions to Congress. The Joint Select Committee did not achieve a targeted deficit reduction of at least \$ 1. 2 trillion for the years 2013 through 2021, which triggered the legislation' s automatic reduction to several government programs, including aggregate reductions to Medicare payments to providers of up to 2 % per fiscal year, starting in 2013. In January 2013, former President Obama signed into law the American Taxpayer Relief Act of 2012 (ATRA), which delayed for another two months the budget cuts mandated by the sequestration provisions of the Budget Control Act of 2011. The ATRA, among other things, also reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. In March 2013, the President signed an executive order implementing sequestration, and in April 2013, the 2 % Medicare reductions went into effect. We cannot predict **whether-how** any additional legislative changes **or changes in presidential administrations** will affect our business. There likely will continue to be legislative and regulatory proposals at the federal and state levels directed at containing or lowering the cost of health care. We cannot predict the initiatives that may be adopted in the future or their full impact. The continuing efforts of the government, insurance companies, managed care organizations and other payers of healthcare services to contain or reduce costs of health care may adversely affect: • our ability to set a price that we believe is fair for our products; • our ability to generate revenue and achieve or maintain profitability; and • the availability of capital. There has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted legislation designed, among other things, to bring more transparency to product pricing, to review the relationship between pricing and manufacturer patient programs, and to reform government program reimbursement methodologies for pharmaceutical products. For example, in August 2022, Congress passed the Inflation Reduction Act of 2022 (IRA), which includes prescription drug provisions that have significant implications for the pharmaceutical industry and Medicare beneficiaries, including allowing the federal government to negotiate a maximum fair price for certain high- priced single source Medicare drugs, imposing penalties and excise tax for manufacturers that fail to comply with the drug price negotiation requirements, requiring inflation rebates for all Medicare Part B and Part D drugs, with limited exceptions, if their drug prices increase faster than inflation, and redesigning Medicare Part D to reduce out- of- pocket prescription drug costs for beneficiaries, among other changes. Various industry stakeholders, including certain pharmaceutical companies and the Pharmaceutical Research and Manufacturers of America, have initiated lawsuits against the federal government asserting that the price negotiation provisions of the IRA are unconstitutional. The impact of these judicial challenges, legislative, executive, and administrative actions and any future healthcare measures and

agency rules implemented by the government on us and the pharmaceutical industry as a whole is unclear. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates if approved. In addition, individual states in the **United States U. S.** have also become increasingly active in implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures and, in some cases, mechanisms to encourage importation from other countries and bulk purchasing. A number of states are considering or have recently enacted state drug price transparency and reporting laws that could substantially increase our compliance burdens and expose us to greater liability under such state laws once we begin commercialization after obtaining regulatory approval for any of our products. Further, the FDA recently authorized the State of Florida to import certain prescription drugs from Canada for a period of two years to help reduce drug costs, provided that Florida's Agency for Health Care Administration meets the requirements set forth by the FDA. Other states may follow Florida. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates. Further, changes in regulatory requirements and guidance may occur and we may need to amend clinical **study-trial** protocols to reflect these changes. Amendments may require us to resubmit our clinical **study-trial** protocols IRBs for reexamination, which may impact the costs, timing or successful completion of a clinical **study-trial**. In light of widely publicized events concerning the safety risk of certain drug products, regulatory authorities, members of Congress, the Governmental Accounting Office, medical professionals and the general public have raised concerns about potential drug safety issues. These events have resulted in the recall and withdrawal of drug products, revisions to drug labeling that further limit use of the drug products and establishment of risk management programs that may, for instance, restrict distribution of drug products or require safety surveillance or patient education. The increased attention to drug safety issues may result in a more cautious approach by the FDA to clinical **studies-trials** and the drug approval process. Data from clinical **studies-trials** may receive greater scrutiny with respect to safety, which may make the FDA or other regulatory authorities more likely to terminate or suspend clinical **studies-trials** before completion or require longer or additional clinical **studies-trials** that may result in substantial additional expense and a delay or failure in obtaining approval or approval for a more limited indication than originally sought. Given the serious public health risks of high-profile adverse safety events with certain drug products, the FDA may require, as a condition of approval, costly risk evaluation and mitigation strategies, which may include safety surveillance, restricted distribution and use, patient education, enhanced labeling, special packaging or labeling, expedited reporting of certain adverse events, preapproval of promotional materials and restrictions on direct-to-consumer advertising. In addition, **if in June 2024**, the U. S. Supreme Court **in Loper Bright Enterprises v. Raimondo** **reverses reversed or curtails its longstanding approach under** the Chevron doctrine, which **gives gave** deference to regulatory agencies in litigation against the FDA and other agencies. **As a result**, more companies may bring lawsuits against the FDA to challenge longstanding decisions and policies of the FDA, which could undermine the FDA's authority, lead to uncertainties in the industry, and disrupt the FDA's normal operations, which could delay the FDA's review of our marketing applications. If we fail to comply with healthcare regulations, we could face substantial penalties and our business, operations and financial condition could be adversely affected. Even though we do not and will not control referrals of healthcare services or bill directly to Medicare, Medicaid or other third-party payers, certain federal and state healthcare laws and regulations pertaining to fraud and abuse and patients' rights are and will be applicable to our business. We could be subject to healthcare fraud and abuse and patient privacy regulation by both the federal government and the states in which we conduct our business. The regulations that may affect our ability to operate include, without limitation:

- the federal healthcare program Anti-Kickback Statute, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs, such as the Medicare and Medicaid programs;
- indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs, such as the Medicare and Medicaid programs;
- the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false claims, or knowingly using false statements, to obtain payment from the federal government, and which may apply to entities like us which provide coding and billing advice to customers;
- federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- the federal transparency requirements under the Health Care Reform Law requires manufacturers of drugs, devices, biologics and medical supplies to report to the HHS information related to physician payments and other transfers of value and physician ownership and investment interests;
- **Health Insurance Portability and Accountability Act (HIPAA)**, as amended by the Health Information Technology for Economic and Clinical Health Act **of 2009 (HITECH Act)**, which governs the conduct of certain electronic healthcare transactions and protects the security and privacy of protected health information; and
- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payer, including commercial insurers.

The PPACA, among other things, amends the intent requirement of the Federal Anti-Kickback Statute and criminal healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the PPACA provides that the government may assert that a claim including items or services resulting from a violation of the Federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines and the curtailment or restructuring of our operations. Any penalties, damages, fines, curtailment or restructuring of our operations could adversely affect our ability to operate our business and our financial results. Any action against us for violation of these laws, even if we successfully defend

against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. Moreover, achieving and sustaining compliance with applicable federal and state privacy, security and fraud laws may prove costly. **Our relationships with healthcare providers, other customers, and third- party payers will be subject to applicable anti- kickback, fraud and abuse, and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm, and diminished profits and future earnings. Although we do not currently have any drug products on the market, once we begin commercializing DCCR following potential approval, we will be subject to additional healthcare statutory and regulatory requirements and enforcement by the federal government and the states and foreign governments in which we conduct our business. Healthcare providers, physicians, and third- party payers will play a primary role in the recommendation and prescription of DCCR. Our future arrangements with third- party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell, and distribute DCCR. Restrictions under applicable federal and state healthcare laws and regulations include, but are not limited to, the Anti- Kickback Statute, the False Claims Act, HIPAA and the HITECH Act. Efforts to ensure that our future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs and may require us to undertake or implement additional policies or measures. We may face claims and proceedings by private parties, and claims, investigations and other proceedings by governmental authorities, relating to allegations that our business practices do not comply with statutes, regulations or case law involving applicable fraud and abuse, privacy or data protection, or other healthcare laws and regulations, and it is possible that courts or governmental authorities may conclude that we have not complied with them, or that we may find it necessary or appropriate to settle any such claims or other proceedings. In connection with any such claims, proceedings, or settlements, we may be subject to significant civil, criminal, and administrative penalties, damages, fines, other damages, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. We are subject to U. S. and foreign laws regarding privacy, data protection, and data security that could entail substantial compliance costs, while the failure to comply could subject us to significant liability. Privacy, data protection, and data security have become significant issues in the U. S., Europe, and other jurisdictions where we conduct or may in the future conduct our operations. The regulatory framework for the collection, use, safeguarding, sharing, and transfer of health and other personal information is rapidly evolving worldwide and is likely to remain in flux for the foreseeable future. The scope and interpretation of the laws that are or may be applicable to us are often uncertain, subject to differing interpretations, and may be inconsistent among different jurisdictions. In the U. S., HIPAA, as amended by the HITECH Act, imposes on covered entities certain requirements relating to the privacy, security, and transmission of individually identifiable health information. The legislation also increased the civil and criminal penalties that may be assessed for violations and gave state attorneys general the authority to file civil actions in federal courts to enforce the HIPAA rules. In addition, for clinical trials conducted in the U. S., any personal information that is collected is further regulated by the Federal Policy for the Protection of Human Subjects. Privacy laws are also being enacted or considered at the state level, including significant new legislation in California, the California Consumer Privacy Act, as amended by the California Privacy Rights Act. While there is currently an exception for protected health information subject to HIPAA and clinical trial regulations, these and other state privacy laws may impact our business activities, and there continues to be uncertainty about how these laws will be interpreted and enforced. Other states have passed privacy legislation, including general privacy legislation similar to the CCPA, and legislation such as Washington's My Health, My Data Act, that also may impact our business activities, in the future and additional states are evaluating similar legislation. In the event we enroll subjects in clinical trials in the E. U. or other jurisdictions, or otherwise acquire or process personal data of individuals in those jurisdictions, we may be subject to additional restrictions and obligations relating to the collection, use, storage, transfer, and other processing of this data. Clinical trial activities in the European Economic Area (EEA), for example, are governed by the E. U. General Data Protection Regulation (GDPR). We may need to take additional steps, such as new contractual negotiations or modifications to our policies or practices relating to cross- border transfers of personal data, to comply with these restrictions and obligations. More generally, laws and regulations governing privacy and data protection exist in many other countries around the world, and these laws (which are evolving and expanding) create complicated and potentially inconsistent obligations that may impact our business. The increasing number, complexity, and potential inconsistency of current and future laws and regulations relating to privacy, data protection, and data security in the U. S. and other countries make our compliance obligations more difficult and costly. If we fail to comply with applicable laws and regulations or experience a breach of security that results in unauthorized disclosure of personal information- or if a third party with whom we share personal information or who processes such information for us fails to comply with applicable requirements or experiences a security breach or incident- or if any of these is reported or perceived to have occurred, it could lead to government investigations, enforcement actions, and other proceedings, as well as civil claims and litigation against us. We could incur substantial costs to defend against any such claims or proceedings and may also be held liable for significant fines, penalties, and monetary judgments. Any of the foregoing could have a material adverse effect on our business, results of operations, reputation, and prospects.** Risks related to ownership of our securities Our stock price may be volatile, and purchasers of our securities could incur substantial losses. Our stock price has been and is likely to continue to be volatile. The stock market in general, and the market for biotechnology and medical device

companies in particular, have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the purchase price. The market price for our common stock may be influenced by many factors, including the following: • the results of our clinical trials and our ability to obtain regulatory approval of DCCR in Prader Willi Syndrome syndrome; • our ability to successfully commercialize, and realize significant revenues from sales of our products; • the success of competitive products or technologies; • the results of other clinical studies trials of our products or those of our competitors; • regulatory or legal developments in the U. S. and other countries, especially changes in laws or regulations applicable to our products; • introductions and announcements of new products by us, our commercialization partners, or our competitors, and the timing of these introductions or announcements; • actions taken by regulatory agencies with respect to our products, clinical studies trials, manufacturing process or sales and marketing terms; • variations in our financial results or those of companies that are perceived to be similar to us; • the success of our efforts to acquire or in-license additional products or planned products; • developments concerning our collaborations, including but not limited to those with our sources of manufacturing supply and our commercialization partners; • developments concerning our ability to bring our manufacturing processes to scale in a cost-effective manner; • announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments; • developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our products; • our ability or inability to raise additional capital and the terms on which we raise it; • the recruitment or departure of key personnel; • changes in the structure of healthcare payment systems; • market conditions in the pharmaceutical and biotechnology sectors; • actual or anticipated changes in earnings estimates or changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally; • trading volume of our common stock; • sales of our common stock by us or our stockholders; • general economic, industry and market conditions; including those due to inflation; and • the other risks described in this “ Risk Factors ” section. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management’s attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects. Future sales of our common stock, or the perception that future sales may occur, may cause the market price of our common stock to decline, even if our business is doing well. Sales of substantial amounts of our common stock in the public market, or the perception that these sales may occur, could materially and adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. All of our shares of common stock are freely tradable, without restriction, in the public market, except for any shares held by our affiliates. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement, employee arrangement or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause our stock price to decline. Our executive officers, directors and principal stockholders may continue to maintain the ability to control or significantly influence all matters submitted to stockholders for approval and under certain circumstances may have control over key decision making. Our executive officers, directors and principal stockholders own a majority of our outstanding common stock. As a result, the foregoing group of stockholders are able to control all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these stockholders will control the election of directors and the approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders may desire. Our ability to use our net operating loss carry forwards and certain other tax attributes will be limited. Our ability to utilize our federal net operating loss, carryforwards and federal tax credit will be limited under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the Code). The limitations apply if an “ ownership change, ” as defined by Section 382, occurs. Generally, an ownership change occurs if the percentage of the value of the stock that is owned by one or more direct or indirect “ five percent shareholders ” increases by more than 50 % over their lowest ownership percentage at any time during the applicable testing period (typically three years). **During the year ended December 31, 2023 2016, we experienced an and “ determined that a change in ownership change ” has occurred on March 7, 2017, December 21, 2018, June 30, 2020 and in September 26, 2023. As a result, the net operating loss carryforwards and tax credit carryforwards may be subject to annual limitations before being applied to reduce future income tax liabilities. For year years ended after December 31, 2024 2017 our acquisition of Essentialis resulted in an ownership change, the utilization of which both changes will limit our ability to utilize our existing and acquired net operating losses and other tax attributes credit carryforwards are subject to offset taxable income further limitation in the event an additional ownership change were to occur for tax purposes .** In addition, we also raised capital in **May October 2019, June 2020 2024 , March 2022, December 2022 and October 2023** that may further limit our ability to utilize our net operating losses and other tax attributes to offset taxable income. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards and other tax attributes to offset U. S. federal taxable income will be subject to limitations, which could potentially result in increased future tax liability to us. As our warrant holders exercise their warrants into shares of our common stock, our stockholders will be diluted. The exercise of some or all of our warrants will result in the issuance of common stock that dilute the ownership interests of existing stockholders. Any sales of the common stock issuable upon exercise of our warrants could adversely affect prevailing market prices of our common stock. If holders of our warrants elect to exercise their warrants and sell material amounts of our common stock in the market, such sales could cause the price of our common stock to decline, and the potential for such downward pressure on the price of our common stock may encourage short selling of our common stock by holders of our warrants or other parties. If there is significant downward pressure on the price of our common

stock, it may encourage holders of our warrants, or other parties, to sell shares by means of short sales or otherwise. Short sales involve the sale, usually with a future delivery date, of common stock the seller does not own. Covered short sales are sales made in an amount not greater than the number of shares subject to the short seller's right to acquire common stock, such as upon exercise of warrants. A holder of warrants may close out any covered short position by exercising all, or a portion, of its warrants, or by purchasing shares in the open market. In determining the source of shares to close out the covered short position, a holder of warrants will likely consider, among other things, the price of common stock available for purchase in the open market as compared to the exercise price of the warrants. The existence of a significant number of short sales generally causes the price of common stock to decline, in part because it indicates that a number of market participants are taking a position that will be profitable only if the price of the common stock declines. If securities or industry analysts do not **continue to** publish research, or publish inaccurate or unfavorable research, about our business, our stock price and trading volume could decline. The trading market for our common stock will **continue to** depend, in part, on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. In addition, if our operating results fail to meet the forecast of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our stock price and trading volume to decline. Provisions in our corporate charter documents and under Delaware law could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management. Provisions in our corporate charter and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board. Because our Board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. Among others, these provisions include the following: • our Board is divided into three classes with staggered three- year terms which may delay or prevent a change of our management or a change in control; • our Board has the right to elect directors to fill a vacancy created by the expansion of our Board or the resignation, death or removal of a director, which will prevent stockholders from being able to fill vacancies on our Board; • our stockholders are not able to act by written consent or call special stockholders' meetings; as a result, a holder, or holders, controlling a majority of our capital stock cannot take certain actions other than at annual stockholders' meetings or special stockholders' meetings called by our Board, the chairman of our board, the chief executive officer or the president; • our certificate of incorporation prohibits cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • amendments of our certificate of incorporation and bylaws require the approval of 66 2 / 3 % of our outstanding voting securities; • our stockholders are required to provide advance notice and additional disclosures in order to nominate individuals for election to our Board or to propose matters that can be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company; and • our Board are able to issue, without stockholder approval, shares of undesignated preferred stock, which makes it possible for our Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us. Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15 % of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15 % of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Our employment agreements with our executive officers may require us to pay severance benefits to any of those persons who are terminated in connection with a change in control of us, which could harm our financial condition or results. Certain of our executive officers are parties to employment agreements that contain change in control and severance provisions providing for aggregate cash payments for severance and other benefits and acceleration of ~~equity stock options~~ vesting in the event of a termination of employment in connection with a change in control of us. The accelerated vesting of options could result in dilution to our existing stockholders and harm the market price of our common stock. The payment of these severance benefits could harm our financial condition and results. In addition, these potential severance payments may discourage or prevent third parties from seeking a business combination with us. We have not paid dividends in the past and do not expect to pay dividends in the future, and, as a result, any return on investment may be limited to the value of our stock. We have never paid dividends and do not anticipate paying dividends in the foreseeable future. The payment of dividends will depend on our earnings, capital requirements, financial condition, prospects and other factors our Board may deem relevant. If we do not pay dividends, our stock may be less valuable because a return on your investment will only occur if our stock price appreciates and you sell our common stock thereafter. General risks ~~Intrusions into our computer systems~~ **Our information technology intrusions into our computer systems may fail or experience security breaches and incidents that could adversely impact our business and operations and subject us to liability. We have experienced significant growth in the complexity of our data and the software tools that we rely upon. We rely significantly upon information technology systems and infrastructure owned and maintained by us or by third party providers to generate, collect, store, and transmit confidential and proprietary information and data (including but not limited to intellectual property, proprietary business information, and personal information) and to operate our business. We expect to continue to incur significant costs related to technical and procedural controls to reduce the risks to our information technology systems. Despite these measures, our information technology and other internal infrastructure systems face the risk of failures, interruptions, security breaches and incidents, or other harm from**

various causes or sources, and third parties with whom we share confidential or proprietary information face similar risks and may experience similar events that materially impact us. The techniques used by cyber criminals change frequently, may not be recognized until launched, and can originate from a wide variety of sources, including outside groups and individuals with a range of motives (including industrial espionage) and expertise, such as organized crime affiliates, terrorist organizations, or hostile foreign governments or agencies. The costs to us to investigate and mitigate actual and suspected cybersecurity breaches and incidents could be significant. We may not be able to anticipate all types of security threats and implement preventive measures effective against all such threats. In addition, an increased amount of work is occurring remotely, including through the use of mobile devices. This could increase our cybersecurity risk, create data accessibility concerns, and make us more susceptible to communication disruptions. If we do not accurately predict and identify our information technology systems requirements and failures and timely enhance our information technology systems, or if our remediation efforts are not successful, it could result in compromise a material disruption of confidential information. Any software we develop or our use for any of our products may be potentially subject to malfunction or vulnerable to physical break-ins, hackers, improper employee or contractor access, computer viruses, programming errors, or similar problems. Any of these might result in confidential medical, business or operations, including other-- the loss information of other persons or of ourselves being revealed to unauthorized persons. There are a number of state, federal and international laws protecting the privacy and security of health information and personal data, including on electronic medical systems. As part of the American Recovery and Reinvestment Act 2009, or ARRA, Congress amended the privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996, or HIPAA. HIPAA imposes limitations on the use and disclosure of an our trade secrets, individual individuals' s protected healthcare information by healthcare providers, healthcare clearinghouses, and health insurance plans, collectively referred to as covered entities. The HIPAA amendments also impose compliance obligations and corresponding penalties for non-compliance on individuals and entities that provide services to healthcare providers and other covered entities, collectively referred to as business associates. ARRA also made significant increases in the penalties for improper use or disclosure of an individual's health information under HIPAA and extended enforcement authority to state attorneys general. The amendments also create notification requirements for individuals whose health information has been inappropriately accessed or disclosed: notification requirements to federal regulators and in some cases, notification to local and national media. Notification is not required under HIPAA if the health information that is improperly used or disclosed is deemed secured in accordance with encryption or other standards developed by HHS. Most states have laws requiring notification of affected individuals and state regulators in the event of a breach of personal information, which is a broader class or other proprietary or sensitive data. Moreover, any security breach or other event that leads to loss of, unauthorized access to, disclosure of, or other processing of personal information could harm our reputation, compel us to comply with federal and / or state notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations than that protect the health privacy and security of personal information protected by HIPAA. Many state For more information see " Risk Factors- We are subject to U. S. and foreign laws impose significant regarding privacy, data protection, and data security that could entail substantial requirements, such as encryption or mandatory contractual terms to ensure ongoing protection of personal information. Activities outside of the U. S. implicate local and national data protection standards, impose additional compliance costs, while the failure requirements and generate additional risks of enforcement for non-compliance. We may be required to expend comply could subject us to significant liability " capital and other resources to ensure ongoing compliance with applicable privacy and data security laws, to protect against security breaches and hackers or to alleviate problems caused by such breaches. Unfavorable U. S. or global economic conditions as a result of international conflict, or otherwise, could adversely affect our ability to raise capital and our business, results of operations and financial condition. While the potential economic impact brought by the hostilities in the Ukraine and the Middle East are difficult to assess or predict, these conditions have resulted in, and may continue to result in, extreme volatility and disruptions in the capital and credit markets, reducing our ability to raise additional capital through equity, equity-linked or debt financings, which could negatively impact our short-term and long-term liquidity and our ability to operate in accordance with our operating plan, or at all. Additionally, our results of operations could be adversely affected by general conditions in the global economy and financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our products and services our ability to raise additional capital when needed on favorable terms, if at all. A weak or declining economy could strain our customers' budgets or cause delays in their payments to us. Additionally, inflation and surging oil and gas prices could increase our costs of production. Any of the foregoing could harm our business, and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our ability to raise capital, business, results of operations and financial condition. We have maintain our cash at financial institutions, often in balances that exceed federally incurred- insured and will continue to incur significant increased costs as a result limits. Our cash is held in accounts at U. S. banking institutions that we believe are of high quality. Cash held in non- interest- bearing and interest- bearing operating as a public company- accounts may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. If such banking institutions were to fail, and we could lose all our- or management has devoted and will be required to continue to devote substantial time to new compliance initiatives. We have incurred and will continue to incur significant legal, accounting and other expenses as a public company. We are subject to the reporting-- portion requirements of the those Securities Exchange Act amounts held in excess of such insurance limitations 1934, as amended, the other rules and regulations of the SEC, and the rules and regulations of Nasdaq. Any The expenses of being a public company are material loss, and compliance with the various reporting..... Act requires, among other things, that we may maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, we must perform system and process evaluation and testing of our internal control over financial

reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act (Section 404). We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. If we are not able to comply with the requirements of Section 404 in a timely manner the market price of our stock could decline and we could be subject to sanctions or investigations by Nasdaq, the SEC or other -- **the future regulatory authorities, which would require additional..... effective.** This, in turn, could have an adverse **effect on our ability to pay our operational expenses or make other payments and may require us to move our accounts to other banks, which could cause a temporary delay in making payments to our vendors and employees and cause other operational inconveniences.** Environmental, social, and governance (ESG) matters are subject to increasing scrutiny and evolving expectations from customers, regulators, investors and other stakeholders and may expose us to reputational, cost and other risks. Companies across all industries are subject to increasing scrutiny and evolving expectations regarding ESG matters. In particular, customers, regulators, investors and other stakeholders are increasingly focusing on environmental issues, including climate change, energy use, industrial waste, and other sustainability concerns. Failure to implement sufficient standards and practices for responsible corporate citizenship, support for local communities, employee diversity and human capital management, health and safety practices, supply chain management, and corporate governance can increase our costs of production, decrease our revenue, and negatively affect our reputation, employee retention, and the general willingness of customers and suppliers to do business with us and investors to invest in us. If we do not adapt to or comply with evolving ESG standards and regulations, the resulting consequences could have a material adverse effect on our reputation, business and financial condition. If our facilities or our third- party manufacturers' facilities become unavailable or inoperable, our research and development program and commercialization plan could be adversely impacted and manufacturing of our products could be interrupted. Our Redwood City, California, facilities house our corporate, research and development and quality assurance teams. Our drug product is manufactured and packaged at various locations in the United States. Our facilities in Redwood City and those of our third- party manufacturers are vulnerable to natural disasters, public health crises, climate change and catastrophic events. For example, our Redwood City facilities are located near earthquake fault zones and are vulnerable to damage from earthquakes as well as other types of disasters, including fires, wildfires, floods, power loss, communications failures and similar events. If any disaster, public health crisis or catastrophic event were to occur, our ability to operate our business would be seriously, or potentially completely, impaired. If our facilities or our third- party manufacturer' s facilities become unavailable for any reason, we cannot provide assurances that we will be able to secure alternative manufacturing facilities with the necessary capabilities and equipment on acceptable terms, if at all. The inability to manufacture our drug product, combined with our limited inventory of drug product, may result in the loss of future customers or harm our reputation, and we may be unable to re- establish relationships with those customers in the future. If our or our third- party manufacturer' s capabilities are impaired, we may not be able to manufacture and ship our products in a timely manner, **which would adversely** impact on trading prices for our **business** common stock, and could adversely affect our ability to access the capital markets. 51-56