Risk Factors Comparison 2024-02-21 to 2023-03-17 Form: 10-K

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As discussed immediately prior to Item 1 of Part I, " Business " under " Cautionary Note Regarding Forward- Looking Statements, " our actual results could differ materially from those expressed in our forward- looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed below. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. If any of the following risks occur, our business, financial condition, operating results, cash flows and the trading price of our common stock could be materially adversely affected. Risks Related to our Business Our success is dependent on the successful commercialization of ContraPest **and Evolve** . The EPA granted registration approval for ContraPest effective August 2, 2016, and as of July 12, 2018, we have received registration for ContraPest in all 50 states ~~and ,~~ the District of Columbia **, and five major U. S. territories. Evolve, as a FIFRA 25 (b) minimum risk pesticide, does not require federal registration with the EPA but is in the process of being registered in all 50 states, the District of Columbia, and five major U. S. territories. To date, we are authorized to sell Evolve in 30 states** . However, we have not yet had significant sales of ContraPest **and Evolve** , which ~~is~~ **are** our only ~~product~~ **products** to date that ~~is~~ **are** available for commercialization and the generation of revenue. ContraPest **, Evolve,** and our other product candidates ~~, if approved,~~ may not achieve adequate market acceptance necessary for commercial success. ~~Even following receipt of regulatory approval for ContraPest or future regulatory approval of our other product candidates, such products may not gain market acceptance.~~ Market acceptance of any of our product candidates for which we receive approval depends on a number of factors, including the following: • the potential and perceived advantages of product candidates over alternative or complementary products; • the effectiveness of our sales and marketing efforts and those of our collaborators; • the efficacy and safety of such product candidates as demonstrated in trials; • the uses, indications or limitations for which the product candidate is approved; • product labeling or product insert requirements of the EPA or other regulatory authorities; • the timing of market introduction of our products as well as future competitive or alternative products; • relative convenience and ease of use; and • unfavorable publicity relating to the product. If we cannot successfully commercialize our products, especially ContraPest **and Evolve** , we will not become profitable. If any of our approved product candidates fail to achieve sufficient market acceptance, we will not be able to generate significant revenues or become profitable. The commercial success of ContraPest **and Evolve** will depend on a number of factors, including the following: • the execution of our commercial strategy and the successful expansion of our commercial organization; • our success in educating end users about the benefits, administration and use of ContraPest **and / or Evolve** ; • the effectiveness of our own or our potential strategic partners' marketing, sales and distribution strategy and operations; • convincing PMPs to deploy ContraPest **and Evolve** in quantity as an enhancement to, or replacement of, their current strategy of rodenticide use; • continued refinement of our pricing strategy; • our ability to manufacture quantities of ContraPest **and Evolve** using commercially acceptable processes and at a scale sufficient to meet anticipated demand and enable us to reduce our cost of manufacturing; and • a continued acceptable safety profile of ContraPest. Many of these factors are beyond our control. If we are unable to successfully commercialize ContraPest **and Evolve** , we may not be able to earn sufficient revenues or profits to continue our business. We will require additional capital to fund our operations. Failure to obtain this necessary capital if needed may force us to delay, limit, or terminate our product development efforts or other operations. Commercialization of ContraPest and **Evolve and** developing further product candidates, including conducting experiments and field studies, obtaining and maintaining regulatory approval and commercializing any products approved for sale, is a time- consuming, expensive and uncertain process that takes years to complete. We expect our expenses to continue and to increase in connection with our ongoing activities, particularly as we advance our commercialization activities. We may expand our operations, and as a result of many factors, some of which may be currently unknown to us, our expenses may be higher than expected. Securing additional financing may divert our management from their day- to- day activities, which may adversely affect our ability to develop and commercialize our product candidates, including ContraPest **and Evolve** . In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to raise additional capital when required or on acceptable terms, we may be required to take certain actions, including the following: • significantly delay, scale back or discontinue the development or commercialization of our product candidates, including ContraPest **and Evolve** ; • seek strategic partners for the manufacturing, sales and distribution of ContraPest **or Evolve** or any of our other product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available; and • relinquish, or license on unfavorable terms, our rights to technologies or product candidates that we otherwise would seek to develop or commercialize ourselves. The occurrence of any of the events described above would have a material adverse effect on our business, operating results and prospects and on our ability to develop our product candidates. **If** ~~ContraPest is the first product we have marketed, and if~~ we are unable to establish and maintain an effective sales force and marketing and distribution infrastructures, or enter into and rely upon acceptable third- party relationships, we may be unable to generate any revenue. We continue to develop a functional infrastructure for the sales, marketing, and distribution of our products and the cost of establishing and maintaining such an infrastructure may exceed the cost- effectiveness of doing so. In order to market ~~ContraPest and any other~~ products ~~that may be registered with the EPA and comparable foreign regulatory authorities~~ , we must continue to build our sales, marketing, managerial and other non- technical capabilities or make arrangements with third parties to perform these services for which we would incur substantial costs. If we are unable to establish and maintain adequate sales, marketing, and distribution capabilities, whether independently or with third parties, we may not be able to generate sufficient product

revenue to become profitable. Without an effective internal commercial organization or the support of a third party to perform sales and marketing functions, we may be unable to compete successfully. The misuse of our products may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business. Customers, technicians, or service providers could use our products in a manner that is inconsistent with the products' intended use. We train our marketing personnel and sales representatives to not promote our products for uses outside of the intended use, however, we cannot otherwise prevent all instances of misuse. Further, the marketing and sales representatives that we have hired to help meet the demand for our products may not have received proper training or have the working knowledge needed to adequately advise our customers how to safely use our products. Misuse of our products may cause an increased risk of injury to customers, which could harm our reputation in the marketplace, as well as lead to potential product liability lawsuits ~~. The coronavirus pandemic may continue to adversely affect our business, and other similar public health crises could result in similar or other harms. The outbreak of the novel coronavirus (" COVID- 19 ") pandemic resulted in widespread travel and transportation restrictions and closures of commercial spaces, industrial facilities and other spaces and businesses in and across the United States and the world, including in the locations we operate or target sales. As a result, our business has been impacted and we could face continued or more adverse effects. In addition to any continuing effects of COVID- 19 on our business, another public health crisis with similar effects could develop and harm our business, financial results and liquidity. Our results and financial condition may be adversely affected by federal or state legislation, or other similar laws, regulations, orders or other governmental or regulatory actions or best practices, that would impose new restrictions on our ability to operate our business or customers to operate their businesses. The degree to which the continuing effects of the COVID- 19 pandemic or similar public health crises may impact our results of operations and financial condition is unknown at this time and will depend on future developments, including the ultimate severity and the duration of the public health impacts, and further actions that may be taken by governmental authorities or businesses or individuals on their own initiatives in response to a public health threat~~ . We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing ~~invasion of~~ **Russia-** Ukraine ~~by Russia~~ **and Israel- Hamas wars** . U. S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and Russia' s launch of a full- scale military invasion of Ukraine in February 2022. Although the length and impact of the ongoing military conflict is highly unpredictable, the war in Ukraine has led to market disruptions, including significant volatility in commodity prices, credit, and capital markets. Additionally, Russia' s prior annexation of Crimea, recent recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine, and subsequent military invasion in Ukraine have led to sanctions and other penalties being levied by the United States, the European Union, and other countries against Russia, Belarus, the Crimea Region of Ukraine, the so- called Donetsk People' s Republic, and the so- called Luhansk People' s Republic, including the agreement by the U. S. and the EU to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication payment system. Additional potential sanctions and penalties have also been proposed and / or threatened. Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional equity or debt funding. Any of the above- mentioned factors could affect our business, prospects, financial condition, and operating results. The extent and duration of the war, sanctions, and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described herein. In addition, as a result of the ongoing conflict between Russia and Ukraine, we may experience other risks, difficulties and challenges in the way we conduct our business and operations generally. For example, there may be an increased risk of cybersecurity attacks due to the current conflict between Russia and Ukraine, including cybersecurity attacks perpetrated by Russia or others at its direction in response to economic sanctions and other actions taken against Russia as a result of its invasion of Ukraine. Any increase in such attacks on us or our third- party providers or other systems could adversely affect our network systems or other operations. At this time, to the best of our knowledge, we do not believe we have experienced any cyberattacks that are related to the conflict between Russia and Ukraine. Although we have taken steps to enhance our protections against such attacks, we may not be able to address these cybersecurity threats proactively or implement adequate preventative measures and there can be no assurance that we will promptly detect and address any such disruption or security breach, if at all. **The conflict in Israel and surrounding areas has also created economic uncertainty and regional instability, including due to the risk of escalation into a wider regional conflict, and resulted in the imposition of sanctions targeting Hamas- affiliated individuals and entities. The broader consequences of these conflicts remain uncertain, but may include further sanctions, regional instability and geopolitical shifts, increased prevalence and sophistication of cyberattacks, potential retaliatory action against companies such as us, heightened regulatory scrutiny related to sanctions compliance, increased inflation, further increases or fluctuations in commodity and energy prices, decreases in global travel, further disruptions to the global supply chain and other adverse effects on macroeconomic conditions.** A protracted conflict between Ukraine and Russia **and Israel and Hamas** , any escalation of ~~that~~ **those** ~~conflict~~ **conflicts** , and the financial and economic sanctions and import and / or export controls imposed ~~on Russia~~ by the United States, the UK, the EU, Canada and others, and the above- mentioned adverse effect on our operations (both in this region and generally) and on the wider global economy and market conditions could, in turn, have a material adverse impact on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline. Risks Related to Regulatory Matters Regulatory approval processes of the EPA and comparable foreign regulatory authorities are lengthy, time- consuming and unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business may fail. The EPA review process for a product with one or more new active ingredients typically takes approximately two years to complete and approval is never guaranteed. In addition, we continue to seek

approvals to expand labels and use designations for ContraPest to broaden its market and usability. Our efforts could fail to receive approval from the EPA, with respect to ContraPest or our product candidates, or from a comparable foreign regulatory authority for many reasons, including the following: • disagreement over the design or implementation of our trials; • failure to demonstrate a product candidate is safe or works according to our claims; • failure to demonstrate a product candidate' s benefits outweigh its risks; • disagreement over our interpretation of data; • disagreement over whether to accept efficacy results from trials; • the insufficiency of data collected from trials to obtain regulatory approval; • irreparable or critical compliance issues relating to our manufacturing process; or • changes in the approval policies or regulations that render our data insufficient for approval. Any of these factors, some of which are beyond our control, could jeopardize our ability to obtain regulatory approval of submittals. Any such setback in our pursuit of regulatory approval could have a material adverse effect on our business and prospects. Even following receipt of any regulatory approval for ContraPest **, Evolve,** and our other product candidates **, requiring regulatory approval** , we will continue to face extensive regulatory requirements and our products may face future development and regulatory difficulties. Even following receipt of any regulatory approval for ContraPest **, Evolve,** or our product candidates, our products will be subject to ongoing requirements by the EPA and comparable state and foreign regulatory authorities governing the manufacture, quality control, further development, labeling, packaging, storage, distribution, safety surveillance, import, export, advertising, promotion, recordkeeping and reporting of safety and other post-market information. The safety profile of any product will continue to be closely monitored by the EPA, state and comparable foreign regulatory authorities after approval. In addition, we may be required, from time to time, to provide further testing results and certifications to the EPA and state regulatory agencies for ContraPest **or Evolve** . For instance, we have found it challenging to produce applicable stability test results for one of our active ingredients, due in part to the small quantity used in the final product and continue to work with the EPA to develop appropriate biological and / or chemical measurements for active ingredient stability. Because our data continues to demonstrate the long- term efficacy of ContraPest, we believe that the testing is a matter we will resolve. If the EPA or comparable foreign regulatory authorities become aware of new information after approval of ContraPest **, Evolve,** or any other product candidate, or we are unable to adequately complete required testing and certification requirements, a number of potentially significant negative consequences could result, including the following: • we may be forced to suspend marketing of such product; • regulatory authorities may withdraw their approvals of such product after certain procedural requirements have been met; • regulatory authorities may require additional warnings on the label that could diminish the usage or otherwise limit the commercial success of such product; • the EPA or other regulatory bodies may issue safety alerts, press releases or other communications containing warnings about such product; • the EPA may require the establishment or modification of restricted use, or a comparable foreign regulatory authority may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of our product and impose burdensome implementation requirements on us; • we may be required to change the way the product is administered or conduct additional trials; • we could be sued and held liable for harm caused; • 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 product candidate, if approved, and could significantly harm our business, results of operations and prospects. Moreover, existing government regulations may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of ~~ContraPest or any other~~ product candidates **requiring such approval** . If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and / or be subject to different marketing requirements or fines or enhanced government oversight and reporting obligations, which would adversely affect our business, prospects, and ability to achieve or sustain profitability. ~~Our future success may also be dependent on regulatory approval and commercialization of other product candidates. We are actively working on a semi- solid product and a product to control fertility in mice. We cannot commercialize our product candidates in the United States without first obtaining regulatory approval for each product and each use pattern from the EPA, and from any related applicable state authorities. Before obtaining regulatory approvals for the commercial sale of any product candidate for a target indication, the law requires that applicants demonstrate through laboratory and field studies and related data showing that the product candidate will perform its intended function without causing unreasonable adverse effects on the environment. The EPA or a comparable foreign regulatory authority may require more information, including additional data to support approval that may delay or prevent approval.~~ Even following receipt of any regulatory approval ~~for~~ **or** ~~ContraPest and~~ **introduction of products** ~~our~~ **or** ~~other~~ product candidates, we will continue to be subject to regulation of our manufacturing processes and advertising practices. As a manufacturer of pest control products, we are subject to continual government oversight and periodic inspections by the EPA and other regulatory authorities. If we or a regulatory agency discover problems with a facility where our products are manufactured, a regulatory agency may impose restrictions on the manufacturing facility, including requiring recall or withdrawal of the product from the market or suspension of manufacturing until certain procedural requirements have been met. The occurrence of any such event or penalty could limit our ability to market ContraPest **, Evolve,** or any other product candidates and generate revenue. In addition, the EPA strictly regulates the advertising and promotion of pest control products, and these pest control products may only be marketed or promoted for their EPA approved uses, consistent with the product' s approved labeling. Advertising and promotion of any product candidate that obtains approval in the U. S. will be heavily scrutinized by the EPA, other applicable state regulatory agencies and the public. Violations, including promotion of our products for unapproved or off- label uses, are subject to enforcement actions, inquiries and investigations, and civil, criminal and / or administrative sanctions imposed by the EPA. Failure to obtain regulatory approval in foreign jurisdictions would prevent ~~ContraPest or~~ **our** ~~any other~~ **products or** product candidates from being marketed in those jurisdictions. To market and sell our products globally, we must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. Obtaining foreign regulatory approvals and maintaining compliance with foreign

regulatory requirements could result in significant delays, difficulties, and cost for us and could delay or prevent the introduction of our products in certain countries. Approval by the EPA does not ensure approval by regulatory authorities in other countries or jurisdictions, but EPA approval may influence decisions by the foreign regulatory authority. If we are unable to obtain approval of ~~ContraPest or~~ **our products** ~~for~~ **or** ~~any of our other~~ product candidates by regulatory authorities in the world market, the commercial prospects of that product candidate may be significantly diminished and our business prospects could decline. Risks Related to our Operations and Supply Chain We depend on key personnel to operate our business. If we are unable to retain, attract and integrate qualified personnel, our ability to develop and successfully grow our business could be harmed. We believe that our success is highly dependent on our ability to attract and retain highly skilled and experienced managerial, sales, research and development, and other personnel. If one or more of our executive officers or key employees terminates employment or becomes disabled or experiences long- term illness, we may not be able to replace their expertise, fully integrate new personnel or replicate the prior working relationships, and the loss of their services might significantly delay or prevent the achievement of our research and development and business objectives. Qualified individuals with the breadth of skills and experience in our industry that we require are in high demand, and we may incur significant costs to attract them. Many of the other companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a more established history in the industry. They also may provide more diverse opportunities and better chances for career advancement. Our failure to attract and / or retain key personnel could impede the achievement of our research and development and commercialization objectives. We have internal manufacturing capabilities to meet our current and near term forecasted demand for ContraPest, however, we must develop additional manufacturing capability or rely upon third parties to manufacture our products to meet future demand and our single location manufacturing operations could be disrupted. Our existing internal manufacturing platform is adequate for meeting our current and near term forecasted demand for ~~ContraPest~~ **our products** . We may be required to spend significant time and resources to expand these manufacturing facilities to fully meet future demand. If we are unable to develop full- scale manufacturing capabilities, we may not be able to meet demand of our products without relying on third party manufacturers, which could adversely affect our operations or financial condition. In addition, if our manufacturing operations fail or are disrupted for any reason, including because of labor, disasters, and / or equipment malfunctions, among others, our ability to timely produce ~~ContraPest~~ **our products** may be adversely affected, which would harm our sales and reputation. We only operate in a single location, which means we do not have back- up facilities to produce our products during a time when our manufacturing facility becomes unavailable. We will need to expand our operations and grow the size of our organization, and we may experience difficulties in managing this growth. As of December 31, ~~2022~~ **2023** , we had ~~29~~ **25** full- time employees. As our development and commercialization plans and strategies develop, we will need additional managerial, operational, sales, marketing, scientific and financial headcount and other resources. Our management, personnel, and systems currently in place may not be adequate to support this future growth. Future growth would impose significant added responsibilities on members of management, including the following: • 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; • managing our trials effectively, which we anticipate being conducted at numerous field study sites; ~~19~~ • improving our managerial, development, operational, marketing, production and finance reporting systems and procedures; and • expanding our facilities. Our failure to accomplish any of these tasks could prevent us from successfully growing our business. Business or supply chain disruptions could seriously harm our future revenues and financial condition and increase our costs and expenses, particularly because we have limited suppliers and a critical ingredient **for ContraPest** is currently sourced from China. Our operations could be subject to a variety of potential business disruptions, including power shortages, telecommunications failures, water shortages, floods, fires, earthquakes, extreme weather conditions, medical epidemics and other natural or man- made disasters or other interruptions, for which we are predominantly self- insured. We do not carry insurance for all categories of risk that our business may encounter. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. Moreover, we rely on third parties to supply various ingredients and other items which are critical for producing our product candidates. We currently use one supplier for each of our two active ingredients, triptolide and VCD. Our ability to produce our product candidates would be disrupted if the operations of these suppliers are affected by a man made or natural disaster or other business interruption. Because triptolide is sourced from China and other Asian countries, we have a greater risk of supply interruption, including as a result of tariff and trade disputes, or disruptive events like the outbreak of COVID- 19. The ultimate impact on our operations from any business interruption impacting us or any of our significant suppliers is unknown, but our operations and financial condition would likely suffer adverse consequences. Further, any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our business, results of operations, financial condition and cash flows from future prospects. We are dependent on triptolide, a key ingredient for ContraPest, which has limited sources and must be in a very refined condition. If we are unable to develop additional sources of or alternatives to triptolide, a key ingredient for ContraPest, our long- term ability to produce ContraPest at a cost effective price could be in jeopardy. If market demand for triptolide causes the price to increase beyond our ability to market at a competitive price or causes the quality of the refined ingredient to be less than needed for our production, our ability to commercialize ContraPest could be limited or delayed, which would adversely affect our business, results of operations and financial condition. A variety of risks associated with marketing our product candidates internationally could materially adversely affect our business. We may seek regulatory approval of our product candidates outside of the United States and, in that case, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including the following: • differing regulatory requirements in foreign countries; • unexpected changes in tariffs, trade barriers, price and exchange controls and other 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 internationally; • 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; • difficulties staffing and managing foreign operations; • workforce uncertainty in countries where labor unrest is more common than in the United States; • potential liability under the U. S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, or comparable foreign regulations; • challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States; • production shortages resulting from any events affecting raw material supply or manufacturing capabilities internationally; and • business interruptions resulting from geopolitical actions, including war and terrorism. These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations. Risks Related to Our Intellectual Property and Legal Actions If we fail to obtain or protect intellectual property rights, our competitive position could be harmed. We depend on our ability to protect our proprietary technology. We rely on trade secret, patent, copyright and trademark laws, and confidentiality, licensing, and other agreements with employees and third parties, all of which offer only limited protection. Our commercial success will depend in part on our ability to obtain and maintain intellectual property protection in the United States and other countries with respect to our proprietary technology and products. Where we deem appropriate, we seek to protect our proprietary position by filing patent applications in the United States and internationally related to our novel technologies and products that are important to our business. However, our financial resources constrain us from seeking protection in every instance, so we may rationalize and selectively pursue expensive patent protection. Patent positions can be highly uncertain, involve complex legal and factual questions and be the subject of litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patents, including those patent rights licensed to us by third parties, are highly uncertain. The steps we have taken to protect our proprietary rights may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights, both inside and outside the United States. The rights already granted under any of our currently issued patents and those that may be granted under future issued patents may not provide us with the proprietary protection or competitive advantages we are seeking. If we are unable to obtain and maintain protection for our technology and products, or if the scope of the protection obtained is not sufficient, our competitors could develop and commercialize technology and products similar or superior to ours, and our ability to successfully commercialize our technology and products may be adversely affected. With respect to patent rights, we do not know whether any of our pending patent applications for any of our technologies or products will result in the issuance of patents that protect such technologies or products, or if our licensed patent will effectively prevent others from commercializing competitive technologies and products. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. Further, the examination process may require us to narrow the claims for our pending patent applications, which may limit the scope of patent protection that may be obtained if these applications issue. Because the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, issued patents that we own or have licensed from third parties may be challenged in the courts or patent offices in the U. S. and internationally. Such challenges may result in the loss of patent protection, the narrowing of claims in such patents, or the invalidity or unenforceability of such patents, which could limit our ability to stop others from using or commercializing similar or identical technology and products or limit the duration of the patent protection for our technology and products. Protecting against the unauthorized use of our patented technology, trademarks and other intellectual property rights, is expensive, difficult, and in some cases, may not be possible. In some cases, it may be difficult or impossible to detect third party infringement or misappropriation of our intellectual property rights, even in relation to issued patent claims, and proving any such infringement may be even more difficult. Intellectual property rights do not necessarily address all potential threats to any competitive advantage we may have. 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 compounds that are the same as or similar to our future products but that are not covered by the claims of the patents that we own or have exclusively licensed; • we might not have been the first to file patent applications covering certain of our inventions; • others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing on our intellectual property rights; • issued patents that we own or have exclusively licensed 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 the U. S. and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as 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 additional proprietary technologies that are patentable or otherwise protectable; • employees may violate confidentiality and proprietary invention assignment agreements and we may not have the resources to enforce those agreements or otherwise enforce our patent rights; and • the patents of others may have an adverse effect on our business. Our technology may be found to infringe third party intellectual property rights. Third parties may in the future assert claims or initiate litigation related to their patent, copyright, trademark and other intellectual property rights in technology that is important to us. The asserted claims and / or litigation could include claims against us, our licensors, or our suppliers alleging infringement of intellectual property rights with respect to our product candidates or components of those products. Regardless of the merit of the claims, they could be time consuming, resulting in costly litigation and diversion of technical and management personnel, or require us to develop non- infringing technology or enter into license agreements. We cannot assure you that licenses will be available on acceptable terms, if at all. Furthermore, because of the potential for significant damage awards, which are not necessarily predictable, it is

not unusual to find even arguably unmeritorious claims resulting in large settlements. If any infringement or other intellectual property claim made against us by any third party is successful, or if we fail to develop non- infringing technology or license the proprietary rights on commercially reasonable terms and conditions, our business, operating results and financial condition could be materially adversely affected. If our product candidates, methods, processes and other technologies infringe the proprietary rights of other parties, we could incur substantial costs and we may have to take certain actions, including the following: • obtain licenses, which may not be available on commercially reasonable terms, if at all; • redesign our product candidates or processes to avoid infringement; • stop using the subject matter claimed to be held by others; • pay damages; or • defend litigation or administrative proceedings which may be costly whether we win or lose, and which could result in a substantial diversion of our financial and management resources. We may need to license intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms. A third party may hold intellectual property, including patent rights that are important or necessary to the development of our product candidates. It may be necessary for us to use the patented or proprietary technology of a third party to manufacture or otherwise commercialize our own technology or products, in which case we would be required to obtain a license from such third party. Licensing such intellectual property may not be available or may not be available on commercially reasonable terms, which could have a material adverse effect on our business and financial condition. We may be subject to legal proceedings in the ordinary course of our business that could result in significant harm to our business, financial condition and operating results. We could be subject to legal proceedings and claims from time to time in the ordinary course of our business, including actions arising from tort, contract or other claims. See the information set forth under the headings " Legal Proceedings " and in the related notes to financial statements in the Company' s periodic reports on Form 10- K, 10- Q and 8- K incorporated by reference herein. Litigation is expensive, time consuming, and could divert management' s attention away from running our business. The outcome of litigation or other proceedings is subject to significant uncertainty, and it is possible that an adverse resolution of one or more such proceedings could result in reputational harm and / or significant monetary damages, injunctive relief or settlement costs that could adversely affect our results of operations or financial condition as well as our ability to conduct our business as it is presently being conducted. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims and might not be available on terms acceptable to us. In addition, regardless of merit or outcome, claims brought against us that are uninsured or under insured could result in unanticipated costs, which could harm our business, financial condition and operating results and reduce the trading price of our stock. For example, we have become aware that we were involved in a transaction in which an investor of the Company may have resold approximately 175, 000 shares of our common stock pursuant to a registration statement that had not yet been declared effective by the ~~Securities and Exchange Commission (~~SEC ~~)~~. As a result, it is possible that the SEC could bring an action against us, or we may ultimately be responsible for an action for rescission by purchasers of the securities that were resold. If the SEC were to bring such an enforcement action against us, or if purchasers were to bring such an action for rescission, it may have a material adverse effect on our financial position. Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop. We face an inherent risk of product liability exposure related to the use of ContraPest and **Evolve** ~~any of our other products~~. If we cannot successfully defend ourselves against claims from our product users, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in the following: • decreased demand for any product that we may develop; • termination of field studies or other research and development efforts; • injury to our reputation and significant negative media attention; • significant costs to defend the related litigation; • substantial monetary awards to plaintiffs; • loss of revenue; • diversion of management and scientific resources from our business operations; and • the inability to commercialize our product candidates. We may be unable to obtain commercially reasonable product liability insurance for any products approved for marketing. Large judgments have been awarded in class action lawsuits based on products that had unanticipated side effects, including, without limitation, any potential adverse effects of our products on humans or other species. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business. Risks Related to our Reporting and Cybersecurity We have not fully assessed our internal control over financial reporting. If we experience material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Our Annual Report on Form 10- K for the year ended December 31, ~~2022~~ **2023** does not include an attestation report of our registered public accounting firm due to a transition period established by rules of the SEC for smaller reporting companies. As a result, we have not yet fully assessed our internal control over financial reporting and are unable to assure that the measures we have taken to date, together with any measures we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting, or to avoid potential future material weaknesses. If we are unable to develop and maintain an effective system of internal control over financial reporting, successfully remediate any existing or future material weaknesses in our internal control over financial reporting, or identify any additional material weaknesses, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports and Nasdaq listing requirements, investors may lose confidence in our financial reporting, and our stock price may decline as a result. Privacy breaches and other cyber security risks related to our business could negatively affect our reputation, credibility and business. We are making sales through our new e- Commerce tool, which depends on information technology systems and networks. We are also responsible for storing data relating to our customers and employees and rely on third party vendors for the storage, processing and transmission of personal and Company

information. Consumers, lawmakers and consumer advocates alike are increasingly concerned over the security of personal information transmitted over the Internet, consumer identity theft and privacy. We do not control our third- party service providers and cannot guarantee that they have implemented reasonable security measures to protect our employees' and customers' identity and privacy, or that no electronic or physical computer break- ins or security breaches will occur in the future. Our systems and technology are vulnerable from time- to- time to damage, disruption or interruption from, among other things, physical damage, natural disasters, inadequate system capacity, system issues, security breaches, " hackers, " email blocking lists, computer viruses, power outages and other failures or disruptions outside of our control. A significant breach of customer, employee or Company data could damage our reputation and our relationship with customers, and could result in lost sales, sizable fines, significant breach- notification costs and lawsuits, as well as adversely affect our results of operations. We may also incur additional costs in the future related to the implementation of additional security measures to protect against new or enhanced data security and privacy threats, or to comply with state, federal and international laws that may be enacted to address those threats. Risks Related to our Capital Stock, Funding and Trading in our Stock We have incurred significant operating losses every quarter since our inception and anticipate that we will continue to incur significant operating losses in the future. Investment in product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to become commercially viable or gain regulatory approval. To date, we have financed our operations primarily through the sale of equity securities and debt financings as well as research grants. We have not generated sufficient revenue from product sales to date to achieve profitability. We continue to incur significant sales, marketing, research, development, and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred losses in every reporting period since our inception. For the years ended December 31, **2023 and** 2022 ~~and 2021~~, we reported net losses of $ ~~9~~ **7**. 7 million and $ ~~8~~ **9**. ~~3~~ **7** million, respectively. Thru December 31, ~~2022~~ **2023**, we have accumulated deficits of $ ~~122~~ **129**. ~~2~~ **9** million since inception. Since inception, we have dedicated a majority of our resources to the discovery and development and marketing of our proprietary product candidates. We expect to continue to incur significant expenses and operating losses for the foreseeable future. The size of our losses will depend, in part, on the rate of future expenditures and our ability to generate revenues. In particular, we expect to incur substantial and increased expenses as we perform the following: • attempt to achieve market acceptance for our products; • continue to establish an infrastructure for the sales, marketing and distribution of ~~ContraPest~~ **our products** and ~~any other~~ product candidates for which we may receive regulatory approval; • scale up manufacturing processes and quantities for the commercialization of ~~ContraPest~~ **our products** and ~~any other~~ product candidates for which we receive regulatory approval; • continue the research and development of ~~ContraPest~~ **products** and ~~our other~~ product candidates, including engaging in any necessary field studies; • seek regulatory approvals for ~~ContraPest in various jurisdictions and for~~ our ~~other~~ **products and** product candidates; • expand our research and development activities and advance the discovery and development programs for other product candidates; • maintain, expand and protect our intellectual property portfolio; and • add operational, financial and management information systems and personnel, including personnel to support our clinical development and commercialization efforts and operations as a public company. We may encounter unforeseen expenses, difficulties, complications, delays, and other unknown factors that may adversely affect our financial condition. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our financial condition. If ~~ContraPest or~~ **our** ~~any other~~ **products or** product ~~candidate~~ **candidates** ~~does~~ **do** not gain or maintain sufficient regulatory approval, or if approved, fails to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, expand our business, diversify our product offerings or continue our operations. A decline in the value of our company could cause you to lose all or part of your investment. If we are unable to continue as a going concern, our securities will have little or no value. We have incurred operating losses since our inception, and we expect to continue to incur significant expenses and operating losses for the foreseeable future. Our financial statements as of December 31, **2023 and** 2022 ~~and 2021~~ have been prepared under the assumption that we will continue as a going concern. Our independent registered public accounting firm included in its opinion for the years ended December 31, **2023, and** 2022 ~~, and 2021~~ an explanatory paragraph referring to our net loss from operations and net capital deficiency and expressing substantial doubt in our ability to continue as a going concern without additional capital becoming available. If we encounter continued issues or delays in the commercialization of ~~ContraPest~~ **our products** or greater than anticipated expenses, our prior losses and expected future losses could have an adverse effect on our financial condition and negatively impact our ability to fund continued operations, obtain additional financing in the future and continue as a going concern. There are no assurances that such financing, if necessary, will be available to us at all or will be available in sufficient amounts or on reasonable terms. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty. If we are unable to generate additional funds in the future through financings, sales of our products, licensing fees, royalty payments or from other sources or transactions, we will exhaust our resources and will be unable to continue operations. If we cannot continue as a going concern, our stockholders would likely lose most or all of their investment in us. Raising additional capital may cause dilution to....., our stock price could decline. We may not be able to comply with all applicable listing requirements or standards of The Nasdaq Capital Market **,** and Nasdaq could delist our common stock. Our common stock is listed on The Nasdaq Capital Market. In order to maintain that listing, we must satisfy minimum financial and other continued listing requirements and standards. Previously, on September 26, 2018, March 20, 2019, February 20, 2020 **, March 2, 2022,** and, most recently, on ~~March 2~~ **August 25**, ~~2022~~ **2023**, we received a letter from the listing qualifications staff of Nasdaq **(the " Staff ")** providing notification that the bid price for our common stock had closed below $ 1. 00 per share for the previous 30 consecutive business days and our common stock no longer met the minimum bid price requirement for continued listing under Nasdaq Listing Rule 5550 (a) (2). In each case, in accordance with Nasdaq Listing Rule 5810 (c) (3) (A), we had an initial period of 180 calendar days to regain compliance. To regain compliance, the closing bid

price of our common stock had to be $ 1. 00 per share or more for a minimum of 10 consecutive business days at any time before the expiration of the initial compliance period. In the event that we **are** ~~would have been~~ unable to regain compliance with Rule 5550 (a) (2) during the initial compliance, Nasdaq rules provide that we may be eligible for an additional 180 calendar day compliance period. ~~Most recently, we received notice that we are eligible for such an additional 180 calendar days, until February 27, 2023, to regain compliance.~~ To qualify, we needed to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the minimum bid price requirement, and to provide written notice of our intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. On ~~October 12~~ **August 18** , ~~2022~~ **2023** , our stockholders approved a reverse stock split of our common stock, par value $. 001 per share, at a ratio of not less than 1- for- ~~5~~ **2** and not more than 1- for- ~~20~~ **12** , with the actual ratio to be determined by our board of directors. On November ~~15~~ **7** , ~~2022~~ **2023** , the Reverse Split Committee of our Board of Directors approved a final split ratio of ~~one~~ **1** - for- ~~twenty~~ **12** (~~1: 20~~ **the " November 2023 Reverse Split "**). Following such approval, we filed an amendment to the Certificate of Incorporation with the Secretary of State of the State of Delaware to effect the reverse stock split, with an effective time of ~~11~~ **4** : ~~59~~ **01** p. m., Eastern Time on November ~~15~~ **16** , ~~the November 2023 Reverse Split,Nasdaq has used its discretion to monitor the bid price of our common stock for a longer period of time.We hope to receive from Nasdaq the additional 180- day compliance period in which to regain compliance.We intend to effect another reverse stock split within such additional 180- day compliance period,if necessary,in order to regain compliance.~~ In the event that we are unable to establish compliance,or again become non- compliant,with **Rule 5550 (a) (2)** ~~any of the minimum financial and other continued listing requirements of Nasdaq~~ and cannot re- establish compliance within the require timeframe,our common stock could be delisted from The Nasdaq Capital Market,which could have a material adverse effect on our financial condition and which would cause the value of our common stock to decline.If our common stock is not eligible for listing or quotation on another market or exchange,trading of our common stock could be conducted in the over- the- counter market or on an electronic bulletin board established for unlisted securities such as the Pink Sheets or the OTC Bulletin Board.In such event,it would become more difficult to dispose of,or obtain accurate price quotations for,our common stock,and there would likely be a reduction in our coverage by security analysts and the news media,which could cause the price of our common stock to decline further.In addition,it may be difficult for us to raise additional capital if we are not listed on a national securities exchange.Our reverse stock splits may decrease the liquidity of the shares of our common stock.On ~~August 18~~ **October 12** , ~~2023~~ **2022** ,our stockholders approved a reverse stock split of our common stock,par value $ 0.001 per share,at a ratio of not less than 1- for- ~~2~~ **5** and not more than 1- for- ~~12~~ **20** ,with the actual ratio to be determined by our board of directors.On November ~~7~~ **15** , ~~2023~~ **2022** ,the Reverse Split Committee of our Board of Directors approved a final split ratio of **one- for- twenty (** 1 **:20)** ~~- for- 12~~ to regain compliance with the Nasdaq minimum bid price requirement. ~~Prior to~~ **The liquidity of** the ~~November 2023~~ **shares of our common stock may be affected adversely by the** reverse stock ~~split~~ **splits** ~~,we effected a~~ **given the reduced number of shares that are outstanding following the** reverse **stock splits.In addition,the reverse stock splits increased the number of stockholders who own odd lots (less than 100 shares) of our common stock,creating the potential for such stockholders to experience an increase in the cost of selling their shares and greater difficulty effecting such sales.** 2022 **with a ratio of 1- for- 20** . The liquidity of the shares of our common stock may be affected adversely by the reverse stock splits ~~we have undertaken to address such compliance failure,~~ given the reduced number of shares that are outstanding following **the** ~~a reverse stock split. In addition,~~ reverse stock splits ~~may~~ **. In addition, the reverse stock splits** increase the number of stockholders who own odd lots (less than 100 shares) of our common stock, creating the potential for such stockholders to experience an increase in the cost of selling their shares and greater difficulty effecting such sales. In the event that we are unable..... and greater difficulty effecting such sales. Following a reverse stock split, the resulting market price of our common stock may not attract new investors, including institutional investors, and may not satisfy the investing requirements of those investors. Consequently, the trading liquidity of our common stock may not improve. Although we believe that a higher market price of our common stock may help generate greater or broader investor interest, there can be no assurance that a reverse stock split ~~, including the one that we expect to implement shortly prior to the completion of this offering,~~ will result in a share price that will attract new investors, including institutional investors. In addition, there can be no assurance that the market price of our common stock will satisfy the investing requirements of those investors. As a result, the trading liquidity of our common stock may not necessarily improve ~~.~~ Raising additional capital may cause dilution to our existing stockholders,restrict our operations or require us to relinquish rights to our technologies or product candidates.Until such time,if ever,as we can generate sufficient product revenues,we expect to finance our cash needs primarily through the sale of equity securities and debt financings,and possibly through credit facilities and government and foundation grants.We may also seek to raise capital through third party collaborations,strategic alliances and similar arrangements.We currently do not have any committed external source of funds.Raising funds in the future may present additional challenges and future financing may not be available in sufficient amounts or on terms acceptable to us,if at all.The terms of any financing arrangements we enter into may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities by us,or the possibility of such issuance,may cause the market price of our shares to decline.For example,during 2022 and 2020,we completed equity financings that resulted in the issuance of shares of common stock and warrants to purchase common stock,resulting in substantial dilution to the existing stockholders.Similarly,in the first quarter of 2021,we again issued shares of common stock and warrants to purchase common stock,resulting in additional substantial dilution to the existing stockholders.We generally have raised capital as the opportunity arises.Certain of our agreements with investors and our outstanding warrants contain provisions that impose limitations on our ability to participate in certain variable rate transactions,including at- the- market transactions,which may limit our opportunities to obtain financing in sufficient amounts or on acceptable terms.The sale of additional equity or convertible debt securities would dilute all of our stockholders,and if such sales occur at a deemed issuance price that is lower than the current exercise price of our outstanding warrants sold to investors in November 2017,the exercise price for those warrants

would adjust downward to the deemed issuance price pursuant to price adjustment protection contained within those warrants.Our various warrants contain other terms that may affect our fundraising.In connection with this offering,we may agree to amend the terms of certain of our outstanding warrants held by certain significant purchasers in this offering.Any such amendments may,among other things,decrease the exercise prices or increase the term of exercise of those warrants.The incurrence of indebtedness through credit facilities would result in increased fixed payment obligations and,potentially,the imposition of restrictive covenants.Those covenants may include limitations on our ability to incur additional debt,making capital expenditures or declaring dividends,and may impose limitations on our ability to acquire,sell,or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business.If we raise additional funds through collaborations,strategic alliances,or licensing arrangements or other marketing or distribution arrangements with third parties,we may have to relinquish valuable rights to our technologies,future revenue streams,research programs or product candidates or grant licenses on terms that may not be favorable to us.If we are unable to expand our operations or otherwise capitalize on our business opportunities,our business,financial condition and results of operations could be materially adversely affected.If we are unable to raise additional funds through equity or debt financings when needed,we may be required to delay,limit,reduce or terminate our product development or commercialization efforts,or grant others rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.Our share price is volatile,which could subject us to securities class action litigation and your investment in our securities could decline in value.Our stock could be subject to wide fluctuation in response to many risk factors listed in this section,and others beyond our control,including the following:• market acceptance and commercialization of our products;• our being able to timely demonstrate achievement of milestones,including those related to revenue generation,cost control,cost effective source supply,and regulatory approvals;• our ability to remain listed on Nasdaq;• results and timing of our submissions with the regulatory authorities;• failure or discontinuation of any of our development programs;• regulatory developments or enforcements in the United States and non- U.S.countries with respect to our products or our competitors' products;• failure to achieve pricing acceptable to the market;• regulatory actions with respect to our products or our competitors' products;• actual or anticipated fluctuations in our financial condition and operating results or our continuing to sustain operating losses;• competition from existing products or new products that may emerge;• announcements by us or our competitors of significant acquisitions,strategic arrangements,joint ventures,collaborations or capital commitments;• issuance of new or updated research or reports by securities analysts;• announcement or expectation of additional financing efforts,particularly if our cash available for operations significantly decreases or if the financing efforts result in a price adjustment to certain outstanding warrants;• fluctuations in the valuation of companies perceived by investors to be comparable to us;• share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;• disputes or other developments related to proprietary rights,including patents,litigation matters and our ability to obtain patent protection for our technologies;• entry by us into any material litigation or other proceedings;• sales of our common stock by us,our insiders,or our other stockholders;• exercise of outstanding warrants;• market conditions for equity securities;and • general economic and market conditions unrelated to our performance.Furthermore,the capital markets can experience extreme price and volume fluctuations that may affect the market prices of equity securities of many companies.These broad market and industry fluctuations,as well as general economic,political,and market conditions such as recessions,interest rate changes,or international currency fluctuations,may negatively impact the market price of shares of our common stock.In addition,such fluctuations could subject us to securities class action litigation,which could result in substantial costs and divert our management' s attention from other business concerns,which could seriously harm our business.You may not realize any return on your investment in us and may lose some or all of your investment.Future sales,or the possibility of future sales,of a substantial number of our common shares could adversely affect the price of the shares and dilute stockholders.Future sales of a substantial number of shares of our common stock,or the perception that such sales will occur,could cause a decline in the market price of our common stock.This is particularly true if we sell our stock at a discount.Any future issuance of common stock or securities convertible or exercisable into our common stock could cause a further downward adjustment of the exercise price of these warrants to the deemed issuance price if the issuance price is less than the exercise price of the warrants at the time of the new issuance.Also,in the future,we may issue additional shares of our common stock or other equity or debt securities convertible into common stock in connection with a financing,acquisition,litigation settlement,employee arrangements,or otherwise.Any such issuance could result in substantial dilution to our existing stockholders and could cause our common share price to decline.An active market in the shares may not continue to develop in which investors can resell our common stock.We cannot predict the extent to which an active market for our common stock will continue to develop or be sustained,or how the development of such a market might affect the market price for our common stock.Market conditions in effect at the time you acquire our stock may not be indicative of the price at which our common stock will trade in the future.Investors may not be able to sell their common stock at or above the price they acquired it.If securities or industry analysts,or other sources of information,do not publish research,or publish inaccurate or unfavorable research or other information about our business,our stock price and trading volume could decline.The trading market for our common stock may depend on the research,reports and other information that securities or industry analysts,or other third- party sources of information,publish about us or our business.We do not have any control over these analysts or other third- party sources of information.From time to time inaccurate or unfavorable research or other information about our business,financial condition,results of operations and stock ownership may be published.We cannot assure that analysts will cover us or provide favorable coverage.If one or more of the analysts who cover us downgrade our stock or change their opinion of our stock,our share price could decline.If one or more of these analysts cease coverage of us or fail to regularly publish reports on us,we could lose visibility in the financial markets,which could cause our stock price or trading volume to decline.If incorrect or misleading information is disseminated publicly by third parties about us,our stock price could decline . . Our corporate documents, Delaware law and certain warrants contain provisions that could discourage, delay or prevent a

change in control of our company. Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, our amended and restated certificate of incorporation currently provides for a staggered board of directors, whereby directors serve for three- year terms, with approximately one- third of the directors coming up for reelection each year. Having a staggered board will make it more difficult for a third party to obtain control of our board of directors through a proxy contest, which may be a necessary step in an acquisition of us that is not favored by our board of directors. Additionally, most of our warrants provide a Black Scholes value- based payment to the warrant holders in connection with certain transactions that may discourage, delay or prevent a merger or acquisition. We are also subject to the anti- takeover provisions of Section 203 of the Delaware General Corporation Law. Under these provisions, if anyone becomes an " interested stockholder, " we may not enter into a " business combination " with that person for three years without special approval, which could discourage a third party from making a takeover offer and could delay or prevent a change of control. For purposes of Section 203, " interested stockholder " means, generally, someone owning 15 % or more of our outstanding voting stock or an affiliate of ours that owned 15 % or more of our outstanding voting stock during the past three years, subject to certain exceptions as described in Section 203.