SENESTECH, INC.
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Fiscal Year 2016 Financial Results Conference Call

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CORPORATE PARTICIPANTS

Dr. Loretta Mayer - Chair, Chief Executive Officer and Co-Founder
Tom Chesterman - Chief Financial Officer
Robert Blum – Managing Partner, Lytham Partners

PRESENTATION

Operator
Good afternoon and welcome to the SenesTech reports Fiscal Year 2016 Financial Results conference call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question you may press star then one on your telephone keypad. To withdraw your question please press star then two. Please note, this event is being recorded.

I would now like to turn the conference over to Robert Blum with Lytham Partners. Please go ahead.

Robert Blum
Thank you, Anita, and thank you, all, for joining us today to discuss SenesTech's year-end financial results for the period ended December 31, 2016, and corporate update conference call. With us on the call representing the company today are Dr. Loretta Mayer, Chair, Chief Executive Officer, and Co-Founder of SenesTech; and, Tom Chesterman, the company's Chief Financial Officer.

At the conclusion of today's prepared remarks we will open the call for a question and answer session. Before we begin with prepared remarks we submit for the record the following statement. Statements made by the management team of SenesTech during the course of this conference call may contain forward-looking statements within in the meaning of Section 27a of the Securities Act of 1933 as amended, and Section 21e of the Securities Exchange Act of 1934 as amended, and such forward-looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements describe future expectations, plans, results, or strategies and are generally preceded by words such as may, future, plan or planned, will or should, expected, anticipates, draft, eventually, or projected. Listeners are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements including the risk that actual results may differ materially from those projected in the forward-looking statements as a result of various factors and other risks identified in the company's filings with the Securities and Exchange Commission.

All forward-looking statements contained during this conference call speak only as of the date made on which they were made and are based on management's assumptions and estimates as of such date. The company does not undertake any obligation to publicly update any forward-looking statements whether as a result of the receipt of new information, the occurrence of future events, or otherwise.

With that said, let me turn the call over to Dr. Loretta Mayer, Chair, Chief Executive Officer, and Co-Founder of SenesTech. Loretta?

Dr. Loretta Mayer
Thank you, Robert. It's really a pleasure to be here today and I wish you all a very good afternoon, and I'm appreciative that you've taken the time to join us. I want to do a simple overview of our process today. Since we're a relatively new public company and we have many new interested parties that follow us, I'll take a few minutes to review the opportunity we have at SenesTech, because we do address a very age-old problem with some stunning new technology, and that problem is rodent infestation.

Then, I will ask Tom to review our financial results. Before I speak to some of the recent corporate developments, however, on our go-forward strategy, I'll spend some time talking about the platform technology because that is critical and the foundation to our company. Following that we'll turn it over for your questions.

So, let me begin with a little bit of background on the product. Our solution uses a biotechnology platform that targets the environment and animal health issues utilizing an innovative drug delivery approach. We came to our solution, ContraPest, really from a round-about way, and I like to share this story because most people appreciate hearing how we came up with it because the answer is no, I didn't get up one day and decide we ought to be the rat doctors of the world. Actually, it grew out of a very high-level technology to understand heart disease in post-menopausal women, and in order to do that we needed to have an animal model that was non-reproductive without performing a surgery. We accomplished just that.

By a series of random discussions and events we understood while treating heart disease is a very important issue, there are challenges that we could address with this technology to render animals non-reproductive that would have far-reaching effects. I suppose, probably, one of the biggest validations of my career is to have a scientist that I think most of us respect, Dr. Stephen

Hawking, to say if Loretta is right and this model works it will change, forever, the way we deal with pest management.

So, let's take a look at those challenges that were compelling and led us to the technology that we have in commercialization right now. Those challenges are large, but we need to face them.

The first one is food security. In 2014 approximately 20% of stored food was lost due to rodent activity. Let me put that in something that's a little easier to wrap our heads around, and that is it's estimated approximately 50% of the food we grow never reaches our table. We are addressing that portion that is lost to rodents.

The second infrastructure damage is the challenge that we're trying to address that's been estimated by the USDA to be approximately $27 billion a year. And, that is a significant damage that is felt by governments, by individuals, and it's one that can drive very serious cost items on budgets.

Finally, the third challenge is that of disease. When you consider rodents are some of the most successful disease vectors that we've ever experienced, you need only look at history to understand that rodents have wiped out Europe twice through the plague. Now, when you consider that large of threat to human populations, controlling them is absolutely key.

And, the last challenge we face is that for years we have been using poison to control these rodents because the strategy is to kill. And, although killing will stop a rodent, that doesn't address the real problem. The real problem is the reproductive strategy of these animals. Most people like facts and numbers, and if you consider two breeding rodents over their lifetime of approximately eight months, those two rodents and their progeny and their progeny's progeny will produce greater than 15,000 animals during their lifetime. So, you can see how difficult that is to get ahead of.

Now, let's take a look at what the opportunity is, and that is the economic opportunity. When you look at how much we spend a year on rodenticides you would capture a percentage of the opportunity, and that's been estimated at somewhere around $900 million a year. So, when you look at that, you are considering that if we could stop reproduction, provide an alternative to rodenticides, that would be our total addressable market.

I'd like to suggest to you, and we'll talk about that in a minute, that's only a portion of our market. Why is this such a growing market? Well, in addition to the reproductive strategy that I discussed, you're dealing with an animal that is a member of the most successful species in the history of the earth, and that is rodents.

I do want to take one moment because I get this question all the time. There must be a good rodent. Are all rats bad? No. There are basically three pest rodent species: the brown rat, the black rat, and the house mouse. And those species are pests because they travel with us. When we provide them with food through our garbage or food storage, and the harborage, a place to stay, they thrive just like we do. So, that's the challenge. As humans grow in population and

we move, so do the rodents.

Now, that is the overall of our company, that's what we are targeting. So, with that overview let me turn the call over to Tom Chesterman. Tom's our Chief Financial Officer and he can review our financial results before I return to discuss about some of our recent corporate developments and initiatives going forward. Tom?

Tom Chesterman
Thank you, Loretta, and thank you to everyone on the call today. Since a copy of our financial results is included in the press release issued this afternoon, I will limit my comments to a few key areas.

First, our revenues during the quarter of $318,000 largely reflect the recognition of prior license revenue and grants as product revenue has not yet started. SenesTech received EPA approval in August of 2016 with state approvals in the following months which allow it to sell its lead product, ContraPest.

Furthermore, SenesTech only got back the marketing rights from our prior licensee in January, therefore, contracts and customers are expected to ramp gradually in 2017 with research sales and a controlled rollout of ContraPest, with more meaningful sales and product revenues expected in 2018. As one of our investors recently said, "It's not a matter of if, it's a matter of when."

On the expense side, we had a number of non-cash expenses during 2016 as well as non-recurring or one-time expenses. To more fully understand the operating cash performance of the company we use an adjusted EBITDA or earnings before interest taxes, depreciation, and amortization, which looks only at the cash impacts of operating earnings and excludes one-time events.

Using this measure, which is more fully defined in our press release, adjusted EBITDA was a loss of $6 million for the year, an increase from $4.9 million in 2015, which was due to salary and consulting expenses related to the company's efforts towards preparing to go public and initiation of a project to develop a biosynthetic version of triptolide, an active ingredient in our product, ContraPest.

As our commercialization efforts ramp up we expect to see selling and marketing expenses increase as well as manufacturing during 2017. Overall, we are currently experiencing cash burn of about $500,000 per month which we would expect to rise to, perhaps, a peak of $750,000 a month and then reduce as product revenues come online.

On the balance sheet, a couple of key points. First, we ended the year with $11.8 million in cash and cash equivalents. We believe this is sufficient capital to successfully launch ContraPest in North America given our prudent cost structure and revenue ramp expectations.

Following the conclusion of the IPO we now have 10.2 million shares outstanding and there's

only about $219,000 in debt. So, we have a very clean capital structure with which to move forward.

That said, let me now turn the call back over to you, Loretta.

Dr. Loretta Mayer
Thank you, Tom. I want to talk about our North America commercialization. As most of you saw during our conference call in January, we terminated our agreement with our technology licensee for ContraPest in North America. That gives us 100% rights to the economics of ContraPest, whereas we previously were in line for high single-digit royalties. As we mentioned, we entered into that license agreement in 2014; that was before we had even submitted for our EPA registration. That was before we knew the potential of this technology and how it was to be deployed. We see this move as a tremendous boost to our long-term prospects.

Since ContraPest was approved, we have received numerous calls and they range from simple calls such as do you have something I can use right now, today, send it to me, to more involved customers who are looking for this long-term solution. There are basically two extremely strong drivers here in the United States, and we've experienced those through our host. Those drivers are food production and transportation, and environmental components. These are the two drivers that we are using to go forward with.

Where we have several phone calls, I want to be absolutely clear that we are building this company on a strong, solid foundation of expanding our initial host. The beauty of ContraPest is that the addressable market for this product is significantly larger than the $900 million rodenticide market that has been estimated.

So, with regaining our control of ContraPest we are rapidly working through all of the commercialization needs. Let me hit some of those piece by piece.

Manufacturing, this technology is a platform technology that requires a very unique manufacturing line, and I like to say it's a simple design, but it's not easy. We have perfected that and translated our research capability into full commercial line. This past year we have doubled our manufacturing capacity in preparing to answer the demand before us. This additional capacity is in our Flagstaff, Arizona location and that will be side-by-side with our initial line.

The capital expenditures to bring an additional line is expected to be less than $1 million. The important piece to this is that we have a developed team that is experienced and will bring this seamlessly to the forefront to meet our demand.

The next piece that I'd like to talk about is regulatory. We have an EPA registration that was the fastest one really ever given by this agency for a rodent control product. In addition to the federal approvals, we have to secure state licenses. We have, to date, secured the approval in 44 states and the District of Columbia. To give you an idea as to the rate at which we have done that, at the end of 2016 we had 14 state approvals, to date we are now at 44. The final states

will be, as no surprise to anyone, California and Florida, and we are expecting Florida within the next 30 days and California shortly thereafter.

Our commercialization priorities, let's take a look at what we're doing there. So, with some of the logistic items being completed, we can now focus on how we're going to prioritize our commercial launch. As I had mentioned earlier, we're preparing to work and we are demonstrating that with our first sales with our early adopters. These are the hosts who have believed in this technology and provided a working environment for us.

The second area that we are expanding is that zero-poison tolerance area. I want to spend just a moment to explain that to you. If you consider areas where you cannot use a poison, you might think of zoos, you might think of animal facilities, anywhere you could not expose animals to a secondary exposure of poison, that is an exotic animal eating a rat that has consumed rat poison. These are opportunities that are new to the rodenticide market.

But, overlaying all of these market segments there is really a common thread, and that is that professional pest management company, or PCOs is the acronym for pest control operator, and they are ultimately responsible for deploying ContraPest. What I mean by that is you can have the MPA in New York City initiate a purchase order for your technology, but it will be deployed by a PCO. They are key to our working relationship with our early adopters.

So, we really don't need a team of hundreds of sales reps and agents in the field deploying ContraPest. We are targeting to work and leverage the existing infrastructure that the PCOs have in place. So, the winning combination is you take the drivers of the technology, those early adopters, and those folks who have a sincere and deep interest in environmental components, combine it with PCOs, and this is how we plan to deploy our product into the marketplace.

However, it's clear to us that this demand will be driven by the public and that continues to become validated to us every day as environmental health and ineffective poisoning strategy is driving a very high demand for this technology. We're well on our way in all facets of these commercialization efforts. As Tom mentioned, 2017 is our year to secure demand in the form of agreements and reference customers with 2018 as the year of our meaningful revenue.

So, a moment on platform. While we're laser-focused on the opportunity that we have before us in ContraPest, a registered product that is in the marketplace, it is also critical to be mindful of the tremendous opportunities that our platform technology can offer to us. We want to first capitalize and expand on rodents. We are moving forward in adding mice to our registration because, as I mentioned, those are the three pest species that consume most of our food, damage our infrastructure, and carry disease.

In addition, we want to expand into other pest species and the second pest species that we will be focusing on are feral hogs, and that work has been completed in studies with Texas A&M. We have proof of concept that our technology can be used in an oral delivery system that hogs readily consume and will block reproduction in male hogs.

Now, I mention male hogs because that is actually the lead to a much larger product that expands the technology beyond population control, and that's the product of Boar taint. There is a protein that is driven by testosterone that lodges within the fat tissue of male pigs. That protein causes a very objectionable smell and flavor, that's called Boar taint.

For centuries farmers have dealt with that by castrating young male pigs at four days of age. That is not only inhumane, but it also reduces feed efficiency, because those male pigs do not have testosterone which builds muscle mass from the food that they consume. Our solution is using one of our active ingredients in a proprietary delivery to allow male pigs to remain intact, avoiding that inhumane procedure, increasing their feed efficiency, and then feeding them a supplement prior to going to market that blocks testosterone, eliminates Boar taint, and provides a high-quality product.

This opportunity is estimated to be approximately $1.2 billion here in the United States alone. Probably, the other product that we will have following along the pipeline is a product for dogs and cats, a non-surgical spay and neutering, if you will. This is approximately a $500 million opportunity in the US alone.

But, I would like you to consider the opportunity globally where dogs and cats are vectors of disease. The dogs in India and Asia carry rabies that target approximately 60,000 children a year. Cats, they are the vectors of toxoplasmosis which has now been discovered in the Hawaiian Islands to be getting into the water and reducing fisheries. These are challenges that we will target with our downstream pipeline.

Now, before I turn this call over for your questions, I think it's important to take a step back and look at the accomplishments over the past number of years. We're a new public company and we have many supporters along the way who've helped us reach this very exciting time. I think it's been said many times that we stand on the shoulder of giants. I just would like to take a moment to say without their support we may never have had the opportunity we have in front of us to help the world address such significant global challenges.

I'm extremely grateful to the countless hours spent by the team to receive one of the most rapidly-approved EPA products in the history of the agency, to early investors who saw the vision that we had for a product like ContraPest and supported our efforts financially, to the various government agencies, private sector companies, and non-profit organizations that pushed us to help develop a solution when they were unable to not find any themselves. We truly do have a revolutionary product on our hands, one that addresses significant global challenges in a way that's never been utilized before in these populations in such a simple and effective way.

I'm extremely excited about what the future holds for SenesTech and appreciate the support and interest of everyone on the call today. We really are looking forward to do well by doing right.

With that said, operator, let me turn the call over to any questions.

QUESTIONS AND ANSWERS

Operator
We will now begin the question and answer session. To ask a question you may press star then one on your touchtone phone. If you are using a speakerphone please pick up your handset before pressing the keys. To withdraw your question, please press star then two. At this time, we will pause momentarily to assemble our roster.

Our first question comes from Charles Haff with Craig-Hallum. Please go ahead.

Charles Haff
Hi there, Loretta and Tom. Can you hear me okay?

Tom Chesterman
Yes, we can.

Dr. Loretta Mayer
Very good.

Charles Haff
Hi. Congratulations on the progress so far. I had a few questions regarding the commercialization and where things currently stand and on product sales moving forward. You mentioned in your earnings release that Washington state and Louisiana had been early adopters. I'm wondering if you could go into a little more depth there, explain which entities have been testing the product and help us understand, maybe, the opportunity in Washington state and Louisiana as it stands today.

Dr. Loretta Mayer
Sure. Thanks, Charles. Our very first sale was in the state of Washington and it was to a pest control operator, as we anticipated, and they have begun deploying the product. The same is true for Louisiana, and both of those are in deployment right now which fits our model of getting the product out there, getting it in the hands of the PCOs so that they understand how to handle it, manage it, deploy it, and solve the rodent infestation problems.

Charles Haff
And, do you know where they are deploying this product initially? Is it going into zoos, or hotels, or is it going to be residential? Can you help us understand it a little bit more where they're initially using it?

Dr. Loretta Mayer
Yes. My answer is probably not going to be very satisfying, but pest control operators don't like to reveal who their customers are because not all customers want to be known as having rodent infestation issues. So, I, frankly, do not know of those two PCOs, whether it is residential,

commercial, food, I do not know those pillars.

Charles Haff
Okay. And then, there are some, I understand, some large national PCO companies that have expressed interest. Have you thought a little bit about your PCO strategy and whether or not it might be exclusive for one large national PCO eventually, or do you think it's going to be sold to a number of PCOs out there?

Dr. Loretta Mayer
Charles, you bring up a very good, very good question. Yes, we are working with a large PCO right now and we're going through that learning process. They have a project that has been initiated; that one I can tell you is in a zero-poison tolerance location. And, whether or not an exclusive arrangement would be considered depends, clearly, on the economics and that is looking at how that would affect our company in light of what is the total addressable market, what is the market share. Tom, did you want to add to that because I see you leaning toward the phone?

Tom Chesterman
Yes. I think the other thing which is, certainly, we have to take into account is no PCO has universal coverage, and some customers may actually have dual sourcing requirements. So, in considering an exclusivity agreement we would have to see exactly how much are we leaving on the table because that PCO can't cover the entire market. So, as Loretta said, it's going to require a significant premium on the part of any PCO that wants to be considered our exclusive partner.

Charles Haff
Okay. And, with that particular PCO, do you have an estimate for how long their evaluation may take place, or is it open-ended?

Dr. Loretta Mayer
No. They're fitting right into our model. They began their work this month, and we will be looking at the progress over the next six months. That is the model, so during that time is when we will be discussing going forward.

Charles Haff
Okay. And then, switching gears to your direct sales, I understand that Somerville, Massachusetts has purchased the product in the past on a trial basis. Are there some purchases that you're expecting now that the product is registered through Somerville, Massachusetts, and if so when might you see those? And then, also, in New York, I know you've had some sales in prior periods and now that you have some regulatory approvals there in New York, when do you think we might see some New York Housing Authority or perhaps some State of New York usage in the New York City subway system?

Dr. Loretta Mayer
You can be considering that those studies will be during Q2 and those sales will be in New York

City, government sales in Somerville are in discussion right now, and that, I think, probably we would expect in our pipeline that we would queue those up in the next six months.

Charles Haff
Okay. Great. And then, shifting gears to outside the United States, I know you've had some interest from the European Union and the countries there in the past; you've also talked about having a partner, maybe, in Europe. Where do discussions stand right now in terms European commercialization?

Dr. Loretta Mayer
Well, your question is real timely, I think, with Theresa May initiating Brexit. That at least tells us that in the European Union our work that we're looking to start in the next six months in the UK will go forward on a separate path from the work that is underway in the European Union.

We have, as I've mentioned before, Denmark as our state of competent authority, we have completed our first data gap analysis which has pinpointed us down to one issue with Europe, and that's the issue of endocrine disruptors and we're moving forward on that. And we are having discussions with Paris with a conference call this month as a potential site of special needs.

As far as a partnership in Europe, we are in discussions with partners in both France as well as Switzerland. And, we're not solid on those yet, and we'll make those announcements when we are.

Charles Haff
Okay. And then, regards to the UK there, what type of regulatory steps would you need to pass to have the product sold in the UK?

Dr. Loretta Mayer
The initial steps in the UK are being taken by the Animal, Plant, and Health Agency in York. They will be done under an experimental use that will be given to them by the British Government. If the British Government assumes all EU regulatory laws that are currently in place, which they may do but we will not know for 24 months, then we will move forward and expect registration in the UK within the next 3 to 4 years. If, however, there is an alternative route that the UK decides to take, it could be sooner or later. I wish I could be more clear on that, but that's about the best we can do with Brexit.

Charles Haff
Okay. And then lastly for me and I'll jump back in queue, in terms of new ContraPest formulations, I know you have the liquid date right now and you're pursuing other formulations, I'm wondering if you could tell us where things stand right now with that application to EPA for other formulations and if you have any approximate timelines or feedback that you've received from EPA so far. That would be helpful, thank you.

Dr. Loretta Mayer

Sure, Charles. As you know, we are looking to, perhaps, go to a semi-solid formula to be used in areas where liquids are not reasonable. We are also looking at other formulas that can be dropped from helicopters to assist our island communities. Depending upon how those formulations shake out, there will be no changes in the active ingredients. So, formula changes with the EPA will be on the inert ingredients which you could expect, once submitted, it would be a six to eight-month process, and I do what to couch that, it depends upon the EPA's resources as to how fast they'll be able to go.

Charles Haff
And, when do you expect to apply to the EPA for the semi-soft chew form?

Dr. Loretta Mayer
I really can't comment on that because we don't have a final formulation before us. So, I would say at least, at least six months before I can really inform you on that.

Charles Haff
Okay, great. Thanks for taking my questions.

Tom Chesterman
Sure.

Operator
Our next question comes from Gerry Sweeney with Roth Capital. Please go ahead.

Tom Chesterman
Gerry?

Gerry Sweeney
Hi, guys. Are you guys there?

Tom Chesterman
Yes, we are.

Gerry Sweeney
So, I had a question—I apologize, my phone was on mute, but, I want to circle back to Louisiana and Washington and the PCO sales there. Is that with a local PCO or is that with a larger PCO group, and is there an opportunity to sell-through into other areas with that specific group, or is it multiple PCOs? I just wanted to get a little bit more clarity on how that's developing.

Dr. Loretta Mayer
Those are local PCOs; they have not identified themselves as being franchisees of any larger organization.

Gerry Sweeney
Okay, so they're essentially one-offs.

Dr. Loretta Mayer
I would assume, but "assume" is the word.

Gerry Sweeney
Gotcha. Okay. Then, also, just looking at milestones in 2017, you talked about New York a little bit, but I also understand you are working on the labeling and then also some work on the shelf life, getting some characteristics on that so you can build inventory. Just wanted to see if you could comment on either of those two items.

Dr. Loretta Mayer
We are ahead of the game on our label amendment and you can be looking for an announcement on that in the next 30 days. As to shelf life, we are on target with that and you can be looking for that, and that shelf life is the documentation that we are providing to the EPA and that will be on target in the next eight months.

Gerry Sweeney
Okay, eight months, got it. And then, this may be for you a little bit more, Tom. That second line, it is not up and running currently, but I assume the equipment is on order. Two questions with it, when will it be installed and up and running—an estimate is fine—and then, secondarily, does the cost of that line, is that included in your cash burn, estimated cash burn that you described earlier in the call?

Tom Chesterman
I haven't gotten an update recently on when the line will be delivered, but I think it's in May and then, obviously, we need to put it all together. In terms of the cost, the cash burn I mentioned would be an operating cash burn, so the capital costs would not be included. The labor associated with it would be included in it.

Gerry Sweeney
Okay, perfect. That's it from my end. I appreciate it.

Operator
Again, if you have a question please press star then one.

Our next question comes from Travis Anderson with Gilder, Gagnon, Howe. Please go ahead.

Travis Anderson
Hi. I was wondering on the market for Boar taint, is that an entirely different approval process and has to go through EPA and state authorities again?

Dr. Loretta Mayer
That's a great question, Travis. That would be a food supplement and because the active ingredient is herbal-based, we probably will need to go only through the USDA. Our advisors

who are working with us on that are saying it is not FDA required, and it's not EPA because this is for use within protein production facilities. So, it would, most likely, be a USDA. I can be more informative on that as that product moves forward.

Travis Anderson
Okay, thanks.

Dr. Loretta Mayer
Sure.

Operator
Our next question comes from Anthony Marchese, a private investor. Please go ahead.

Anthony Marchese
Hi, Loretta. First of all, great overview. I appreciate the depth of the explanation. In one of your prior calls you mentioned that you were looking to get some expanded labeling in the EPA. Could you just review what you have coming up? I believe you said last time that the outdoor use was either the next one coming up or the one after that. Could you just go through the timeline of what you expect and what that does to your market? It would seem to me that an outdoor use would expand your market pretty dramatically.

Dr. Loretta Mayer
Sure, happy to do that. Thanks a lot. Our EPA strategy, our first strategy was to improve our category registration. That has been complete, they're down to the final cross the Ts, dot the Is; that's what you'll see in the next 30 days.

What that means is that will take our category from a category two, which was a category in the absence of data that said warning and it will take us to a category three/four, which is a category that is caution only. Category four is the lowest risk that you can possibly have. So, that particular improvement to the label improves handling and it also is informative and supports the absolute reduced risk of our product.

The next label amendment will be for that one for outdoor, and I do want to make sure you understand, however, that our existing registration allows us to use our product outdoor, it just must be within a foot of a structure. So, we do deploy the product outdoors.

Getting back to the EPA amendment, that is an amendment that will be meeting with the EPA in June on packaging that. We've already completed our first study, and that is for avian toxicity, and there is no avian toxicity, as the study states there is no harm to birds. So that is one piece of the package. That going in in June would look for a full review in 12 months' time for complete unobstructed outdoor deployment.

The last EPA amendment that we may seek would be to remove restricted use, and as you know, that opens the door to retail. So, that is down the line and that is not on our blotter for 2017 or 2018.

Anthony Marchese
Great. Thank you very much. I really appreciate the insight.

Dr. Loretta Mayer
Sure.

Operator
Our next question is a follow-up from Charles Haff with Craig-Hallum. Please go ahead.

Charles Haff
Hi. Thanks for taking my follow-up. Following up on the previous question regarding labeling expansion and moving to outdoor use, understanding that it is used currently outdoors and can be used outdoors, can you frame this for us a little bit, if you were to get the unrestricted—I shouldn't use that term—the open outdoor use labeling, how would that affect your market opportunity? I'm not clear on how much more addressable market or how much easier that makes your product to sell in certain markets.

Dr. Loretta Mayer
That's a good question, Charles. Let me take it in a very large piece. If you are delivering outdoor without the need for a structure, you are now in a position to serve island communities where you would drop this product by helicopter. So, it would be freely exposed; in other words, you would not be delivering it in a bait station. So, that outdoor registration label change is coordinated, obviously, with a formulation change and those are completely hand-in-hand going forward.

The other opportunity for outdoor would be you could place this product in open fields. I do want to draw, however, the market opportunity, in open fields, your damage is not as significant as where you have food storage in a concentrated location. So, that's why developing it and having an indoor registration allows you to go into granaries, around the perimeter of food storage locations, that's where your rodent infestation is the highest.

Does that answer your question, Charles?

Charles Haff
Yes. That's very helpful. Thank you.

Dr. Loretta Mayer
Sure.

CONCLUSION

Operator
This concludes our question and answer session. I would like to turn the conference back over

to Dr. Mayer for any closing remarks.

Dr. Loretta Mayer
Thank you. I think we all agree 2016 has been an incredible year for SenesTech. The realization of commitments made to our investors of receiving ContraPest approval, funding the commercial launch of the product and commencement of sales have all occurred, they are in the history book.

2017 will be an equally momentous year as we put in place the structures needed to further ramp commercialization efforts of ContraPest. We expect to expand upon our recent announcements including our collaborations with New York, island communities, deploy ContraPest across the city, with many other significant milestones and agreements that will pave the way for an exciting future for SenesTech.

Again, thank you to everyone for joining us today and we look forward to speaking with you again in mid-May at the conclusion of our current quarter. Have a good evening.

Operator
This conference is now concluded. Thank you for attending today's presentation. You may now disconnect.