

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

M. Marin
mmarin@zacks.com
(312) 265-9211

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

SenesTech, Inc.

(SNES-NASDAQ)

SNES: Hantavirus Ship Shines Light on Problem
SNES Tackles – Initiating Coverage

The recent outbreak of hantavirus aboard a cruise ship illustrates the magnitude and scope of problems that can ensue if rodent populations are not managed. SenesTech has a growing portfolio of sustainable solutions to help reduce rodent populations through fertility control. Because chemical agents -- the most widely used rodent control method -- are often sub-optimal and raise concerns about environmental safety & sustainable control, as well as ethical concerns, there is a growing shift to integrated programs including birth control tools such as those SNES offers.

OUTLOOK

Rodent infestations are a pervasive but often undisclosed problem. If rodent populations are not managed, it can lead to significant health, food security and economic issues. With growing regulatory restriction on the use of certain rodenticides & growing emphasis on Integrated Pest Management (IPM) programs, plus a target market estimated at \$5.5B+ and growing, SNES' growth strategy is focused on expanding its product line, managing and emphasizing the direct-to-consumer and e-commerce channels and upgrading its packaging & increasing marketing to better communicate benefits of & raise awareness of its products. SNES also is launching pilot programs to offer proof of concept of its solutions. The company is also optimistic about its prospects with agriculture companies. Demand for control solutions from agricultural companies is generally expected to rise as rodent infestations cause damage to crops.

Current Price (5/26/26) \$1.82
Valuation \$3.50

SUMMARY DATA

52-Week High \$6.24
52-Week Low \$1.41
One-Year Return (%) -34
Beta NA
Average Daily Volume (sh) 75,610

Shares Outstanding (mil) 5.3
Market Capitalization (\$mil) \$10
Short Interest Ratio (days) NA
Institutional Ownership (%) NA
Insider Ownership (%) NA

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2026 Estimate N/A
P/E using 2027 Estimate N/A

Risk Level Above Avg
Type of Stock Small-Value

ZACKS ESTIMATES

Revenue
(in Mns of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	0.5 A	0.5 A	0.5 A	0.5 A	1.9 A
2025	0.5 A	0.6 A	0.7 A	0.4 A	2.2 A
2026	0.5 A	0.7 E	0.8 E	0.5 E	2.5 E
2027					3.5 E

Earnings / loss per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-3.56 A	-3.08 A	-2.07 A	-1.22 A	-8.86 A
2025	-1.28 A	-0.87 A	-0.28 A	-0.35 A	-1.95 A
2026	-0.39 A	-0.33 E	-0.26 E	-0.37 E	-1.35 E
2027					-1.06 E

Quarters might not add to annual reflecting rounding, share counts

Disclosures on page 16

KEY POINTS

- Rodent infestations are a pervasive but often undisclosed problem. The recent outbreak of hantavirus aboard the MV Hondius cruise ship shines a light on the magnitude and scope of issues that can result if rodent populations are not managed to contain the spread of disease and minimize the human and economic impact of food contamination, in our view.
SenesTech has a growing portfolio of solutions to help manage rodent populations through birth control.
- According to the National Institutes of Health (NIH), “Rodent infestation is a substantial global issue It is necessary to take measures to control rodent damage in order to protect human health and wealth... “
- The use of chemical agents -- the most widely used rodent control measure -- is often sub-optimal and raises concerns about environmental safety and sustainable control, as well as ethical concerns, as the application of chemical agents can cause excessive suffering to rodents and often inadvertently to other non-targeted animal populations.
- Many regulators are restricting the use of chemical rodenticides. Moreover, used alone, rodenticides and other chemical tools generally are not sustainable as rodents develop resistance to these methods. The industry is increasingly adopting Integrated Pest Management (IPM) programs that include fertility management such as SNES offers.
- The company has a growing portfolio of effective and sustainable products for both professional and consumers to help manage rodent populations by restricting fertility through nonlethal birth control methods. SNES also has initiated pilot deployments with multiple U.S. cities.
- The target market is sizable. Industry estimates place the global rodenticides market at north of \$5.5 billion and growing at an estimated CAGR of nearly 6%, putting it on track to reach nearly \$8.7 billion by 2031.
- With a new CEO in place, the company has launched multiple growth initiatives, including expanding its product line, redesigning the product packaging, emphasizing the DTC and online channels including managing its Amazon store itself and refreshing its proprietary e-commerce distribution, as well as increasing its focus on certain strategic large-scale opportunities and adding international markets opportunistically. The company is also optimistic about its prospects with agricultural companies.

COMPANY OVERVIEW

Rodent infestations are pervasive but problem often is undisclosed

SenesTech, Inc. (NASDAQ: SNES) is a leader in solutions for managing and reducing rodent populations. Rodent infestations can lead to many severe issues, including health problems, as has become apparent with a recent outbreak of hantavirus. Rodent populations can create other problems, as well, such as food contamination and waste that can also exacerbate food security issues, among other issues. Yet, businesses or homeowners are often reluctant to report an infestation. Thus, rodent infestation is a fairly pervasive problem, although the issue is often undisclosed. The problem is likely to be much larger than people perceive because rat infestations are often not reported.

For example, the recent outbreak of hantavirus noted above and quarantine of the MV Hondius cruise ship shines a light on the problem, in our view. As has been widely reported in the general press, a recent outbreak of hantavirus aboard the cruise ship forced the ship to quarantine. The World Health Organization (WHO) was notified on May 2, 2026, about cases of severe respiratory illness aboard the MV Hondius cruise ship.

According to the Centers for Disease Control ([CDC](https://www.cdc.gov)), “Hantaviruses are a family of viruses which can cause serious illnesses and death...**They are spread mainly by rodents.**”



Source: [AcfiPress Noticias Canarias](https://www.acfipress.com/noticias-canarias), CC BY 4.0 <<https://creativecommons.org/licenses/by/4.0/>>, via Wikimedia Commons

Passengers from multiple countries including the U.S., U.K, France, Spain and many others were confirmed to have contracted the virus and several of the infected passengers died. To contain the spread of the disease, passengers were forced to quarantine onboard the vessel or in designated quarantine medical facilities.

Authorities believe it likely that the initial case was exposed to and infected with the disease before boarding the ship. Subsequent cases likely were transmitted onboard the ship from person-to-person. The Andes virus is the one form of hantavirus known to spread person-to-person, with the spread generally limited to people who have come into close contact with an infected person.

Global public health crisis shines a light on need to control rodent populations

Given that people from multiple nations were impacted, the outbreak is being managed through a coordinated international response, including investigations, medical evacuations, laboratory testing and international contact tracing, quarantining and monitoring. The economic impact of managing and containing the disease has not yet been quantified, but likely to be significant. The potential risk of medical need or even fatality is not quantifiable.

In our view, this shines a light on the need to control rodent populations. According to [Wired](#) magazine, “The hantavirus outbreak aboard the MV *Hondius* cruise ship has created a global public health crisis. But **the driver of it is a rodent** that weighs about an ounce, and climate shifts this year that have helped increase the odds of transmission.”

Rodents are attracted to congested areas where access to food is fairly concentrated and easy to obtain, which, in turn, facilitates the growth of rodent populations. The problem is expected to increase, as urbanization and population growth also contribute to increases in waste production, further attracting rodents.

According to the National Institutes of Health ([NIH](#)),

“Rodent infestation is a substantial global issue. Widely distributed across the world, rodents cause damage to agriculture, forestry, and livestock production and spread various natural-focal diseases.... It is necessary to take measures to control rodent damage in order to protect human health and wealth...”

While it therefore seems evident that infestations need to be managed, the way to manage the problem is evolving from complete reliance on chemical agents to multifaceted, or Integrated Pest Management (IPM) programs that includes birth control tools such as those offered by SenesTech. The NIH notes that:

Chemical rodenticides—the most widely used rodent control measure—are widely used throughout the world. Although the application of a chemical bait to regulate rodent damage can limit rodent population abundance, it can also give rise to many other problems. First, satisfactory outcomes are hardly achieved by merely relying on chemical eradication. In certain regions, rodent damage can become more severe, rather than being alleviated. Second, the use of chemical agents raises issues concerning environmental safety and persistence...Third, the use of chemical agents brings about prominent ethical problems...The application of chemical agents to eradicate rodents can cause excessive suffering to rodents and is considered an inhumane control measure.”

SNES develops birth control solutions to contain animal pest populations through fertility control

SNES’ solutions differ from more traditional rodent control measures; the company develops birth control solutions to contain animal pest populations through fertility control. The company’s initial product, ContraPest®, is the only U.S. EPA-registered contraceptive for male and female rats. It is a liquid rat contraceptive bait. As the first and only EPA registered liquid contraceptive bait, ContraPest represents a novel alternative to lethal rodenticides. ContraPest aligns with EPA IPM objectives (see below).

Broadening product portfolio expected to expand SNES addressable market

SNES growth strategy includes broadening its product portfolio, which is expected to expand its addressable market. In early 2024, SenesTech launched Evolve™ Soft Bait, which the company developed to offer customers a product with similar efficacy to ContraPest® in a format that is easier to deploy. Unlike the liquid ContraPest product, Evolve is a solid that has longer shelf life, is easier to distribute and deploy and is cost effective. Evolve is roughly the size and shape of a miniature sausage and the first soft bait developed to control pest populations through fertility control. Its active ingredient is cottonseed oil, which decreases sperm production and ovarian follicle growth in rats. Evolve also contains oat flour, cotton seed protein, sucrose and citric acid, among other “clean label” ingredients.



Source: [Company presentation](#)

Subsequent to introducing Evolve for rats, SenesTech launched Evolve Mouse for mice, extending the product line to a new rodent population, which SNES believes could double its addressable market for the Evolve product line. An estimated \$1+ billion is spent annually in the U.S. on rodent pest management solutions, with more than half of that targeting mouse infestations. The Evolve product line is expected to expand SNES' addressable market to the consumer market, as well as to appeal to segments of the company's traditional professional pest control market. The objective to expand its reach to a broader range of customers appears to be gaining traction, as evidenced by the company's recent financial and operating results discussed below. The company also intends to further expand the Evolve brand with additional rodent control products, as it concurrently remains focused on operational and financial discipline.

Traditional methods alone are less effective and can harm non-target organisms & the environment

Evolve restricts rat fertility through nonlethal methods and is generally considered a humane approach to managing infestations. For example, People for Ethical Treatment of Animals view rodent fertility control as an effective, non-bioaccumulative method for population management.

To protect human health and non-target wildlife, the [EPA's Rodenticide Risk Mitigation Decision](#) has tightened rules on highly toxic rodenticides. Evolve is "minimum risk" pursuant to 25B contraceptives offered for rats; ContraPest and Evolve are designed to be effective and sustainable. Many other types of pest control techniques are considered neither humane nor sustainable. Glue traps and poisons are considered cruel forms of animal control, as indicated. Moreover, these solutions are often not effective. Glue traps designed to attract and trap one rodent cannot handle infestations and “rodent resistance to anticoagulants has emerged, severely hampering the application of these compounds,” according to the NIH.

Moreover, using poisons such as anticoagulants to manage rodent populations kills and harms many non-target organisms and often has a negative impact on the general environment. For these reasons, many regulators are restricting the use of second generation anticoagulant rodenticides (SGARs). The U.S. Environmental Protection Agency ([EPA](#)) cites SGARs as requiring significant risk mitigation, particularly regarding endangered species, and has “prohibited products intended for general consumers (i.e., homeowners or residential consumers) from containing second-generation anticoagulant rodenticides (SGARs)...Consumer retailers are largely prohibited from selling the most potent SGAR products, restricting them to certified, professional applicators. and applies “any wildlife habitat area.”

At the same time, many regulators are imposing restrictions on the use of SGARs. Specifically, federal regulations prohibit consumer retailers from selling SGARs, limiting their use to licensed pest management professionals (PMPs), as well as certain agricultural users. California signed the California Ecosystems Protection Act ([AB 1788](#)) in 2020, imposing greater restrictions on the use of SGARs to protect the state’s native wildlife.

SNES products are considered sustainable, effective and ethical

SNES’ ContraPest and Evolve products do not have these issues. Evolve is designed for both the professional and consumer markets. Because it is easy to deploy and palatable to rodents and generally does not produce the negative side effects that cause rats to become bait averse, according to SNES, Evolve can be placed in a broad range of environments, including municipalities, parks, recreation facilities, sports venues, food processing facilities, correctional facilities, subways, medical facilities, agribusiness, zoos and residences, among others.

Evolve products address the fundamental issue of rodent overpopulation by focusing on the rapid reproduction of rats and mice, controlling the population by restricting fertility rather than trying to keep up with the growing numbers of infestations with rodenticides alone. In multiple independent studies, the active ingredient in the Evolve product line has been shown to effectively reduce fertility in rodents.

As an example, pilot deployments in two urban study areas produced measurable reductions in rodent activity within five months, including a 79% decline in rat activity at one site and a greater than 50% decline at a second one.

GROWTH STRATEGY TO BENEFIT FROM SIZABLE & GROWING MARKET OPPORTUNITY

The company believes the market opportunity for non-poison rodent control remains significant and is growing. The anticipated growth is expected to be driven by ongoing urbanization combined with regulatory restrictions on traditional rodenticides and rising demand for safer, sustainable pest-management solutions. The company has recently introduced or intends to implement several initiatives to drive growth, including:

- Expanding the product line
- Redesigning the packaging to better communicate product benefits
- Emphasizing the DTC and online channels
- Managing its Amazon store itself
- Redesigning its proprietary e-commerce distribution website
- Digital advertising measures
- Strategically increasing focus on large-scale opportunities
- Opportunistically adding international markets
- Improving operational efficiency to expand margins
- Developing relationships with agricultural companies

E-commerce Growth: Amazon Direct Management

With the original ContraPest product and new Evolve product line, SNES now has a broadening product portfolio that is expected appeal to the consumer, as well as the professional market segments. With products for the consumer market, the company is focusing more efforts on the direct-to-consumer (DTC) and e-commerce channels. As a result, the company has refocused its efforts on online sales, including the SenesTech e-commerce portal and Amazon, as well as through big box retailers.

In May 2026, SNES appointed Michael Edell as its new President and Chief Executive Officer (CEO). He previously was the company's interim Chief Operating Officer (COO) and therefore understands the company and the sector. As interim COO, he helped accelerate SNES' direct-to-consumer (DTC) strategy, including transiting to managing its Amazon sales channel internally and supporting the expansion of its subscription based recurring revenue initiatives. In addition, SNES undertook a packaging redesign.

SenesTech believes that strengthening its control of the customer channel improves its ability to capture more value as adoption of its growing product line expands. In 2025, SNES began managing Amazon sales of Evolve Rat and Evolve Mouse directly, transitioning from third-party management to strengthen product presentation and customer communications, leverage performance data to optimize marketing, and retain a greater portion of e-commerce economics. (The transition led to a roughly \$200k technically a reduction in revenue in 4Q25.)

April 2026 was 1st full month of Amazon transition to direct in-house management; April e-commerce sales up 163% y/y

In 2025, e-commerce revenue increased 88% year-over-year compared to 2024, driven by strong growth on Amazon and the company's direct-to-consumer website. SNES's e-commerce channel now represents more than 50% of the company's total annual revenue. SNES substantially completed its transition from third party e-commerce management of Amazon sales of Evolve products during March 2026, improving visibility into customer behavior, enhancing control over advertising and media buying, expanding opportunities for customer engagement, and obtaining greater control over overall channel economics.

Management expects direct control to drive higher revenue and stronger margins once fully integrated. April 2026 was the first full month of SNES direct in-house management of its Amazon e-commerce management. E-commerce sales for April 2026 advanced 163% year-over-year to a record \$146k compared to \$56k in April 2025 and 47% sequentially compared to \$99k in March 2026. Subscription-based recurring revenue advanced 198% year-over-year to a record \$36k for the month compared to \$12k in April 2025, while subscription-based customers grew 109%. The company believes these metrics provide early positive evidence supporting the benefits of its evolving e-commerce strategy, growing DTC focus and recurring revenue subscription business model.

SenesTech also continues to redesign the e-commerce section of SenesTech.com in order to improve the customer experience, simplify navigation, boost conversion rates, and support subscription growth. Refreshing its packaging is expected to improve online and shelf visibility and strengthen the consumer understanding of what differentiates its product line, while digital advertising initiatives and broader marketing efforts – slated to launch in 3Q26 – are expected to boost awareness of SenesTech products and support both online and in-store retail sales.

SNES's B2B strategy is also increasing focus on large-scale opportunities across targeted verticals including pest management, agriculture, municipalities, distributors, and other sizable commercial markets. The emphasis on DTC is also expected to support B2B revenues through increased brand awareness, as noted, and inbound lead generation.

Opportunities in international markets and with agricultural companies

The company's focus is the domestic market. SNES also has some international sales at this early stage in its development. Evolve secured regulatory approval in New Zealand (with the initial stocking order shipped to exclusive partner Evicom) and expanded international footprint in Belize by adding the Belize Raptor Center as an official distributor. SNES continues to support its international distribution partners as they introduce the company's fertility products to new markets. The focus will be on international markets where the regulatory process would be expected to be cost efficient.

SenesTech is optimistic about the traction it is seeing with its DTC and subscription measures. At the same time, the company has also initiated conversations with agriculture companies. It is early days in this initiative, although the company is encouraged by discussions to-date. As noted above, the NIH has indicated that "Rodent infestation ... cause damage to agriculture, forestry, and livestock production..." Demand for control solutions from agricultural companies is generally expected to increase, reflecting substantial economic losses rodent infestations cause, including crop damage, grain silo and other food contamination, among other challenges. SNES believes that over time, its B2B business could become the larger contributor to total revenue.

INTEGRATED PEST MANAGEMENT PROGRAMS

Integrated pest management programs (IPMs) combine traditional & fertility control methods

According to the Department of Agriculture, [USDA](#), "Integrated Pest Management (IPM) is a science-based decision-making process that combines tools and strategies to identify and manage pests." The USDA views IPM as "a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks." Federal agencies are required to use IPM in their pest management activities and to promote IPM in their regulations.

Integrated Pest Management and Fertility Control



Source: [Company filings](#)

IPM is required in most areas where pest management programs are used, including agriculture, forests, parks, wildlife refuges, and military bases, as well as residential and public areas such as schools and public housing. IPM is generally considered to provide economic, health, and environmental benefits, including preventing unacceptable levels of pest damage to non-target animal populations.

Moreover, used alone, rodenticides and other lethal tools of long-term rodent population management are not sustainable because rodent populations rebound and rodents develop a resistance to these pest control methods. Environmental, regulatory and humane factors have therefore led to a shift to the use of IPM programs, reflecting a goal to reduce the use of inhumane methods and leverage more environmentally friendly, humane methods.

To control an infestation, IPM programs require multiple tools. Adding fertility control to an IPM program can increase the effectiveness of the overall program by up to 90%, according to the company. Evolve generally affects rodent population beginning after one to two breeding cycles, which generally translates to four to six weeks from the initial deployment of the product. The Evolve product line reduces pregnancies in rats and mice, in turn leading to population control through fewer births. The company believes that integrating Evolve with other pest management programs can maximize the effectiveness of a long-term solution to manage rodent populations.

As noted, there has been growing regulatory restriction on the use of certain rodenticides and emphasis on IPM programs. The EPA's ESA Workplan issued in November 2024 emphasizes a shift towards IPM strategies that promote alternatives versus traditional rodenticides, including non-lethal and ecologically-friendly solutions.

With this backdrop, the company's municipal deployment activity across major urban cities continues to increase. In April 2025, the Chicago Wicker Park Bucktown Chamber of Commerce began a pilot program using Evolve. The goal was to control the rat population without the toxins and poisons that pose a risk to many other non-target animals, as well as potentially to the water supplies. The New York City Council subsequently also elected to launch a pilot program with SNES . Other recent urban deployments include in the Boston area and Baltimore, Providence, Hartford, Washington, D.C., and San Francisco, among other cities. The 12-month New York City rat contraception pilot program announced previously is expected to conclude shortly.

Recent pilot urban deployments within:

- Chicago
- New York City
- Boston area
- Baltimore
- Providence
- Hartford
- Washington, D.C.
- San Francisco

INDUSTRY OVERVIEW

[Bell](#) Laboratories estimates the global rodenticides market at north of \$5.5 billion and growing at an projected CAGR of nearly 6%, putting it on track to reach nearly \$8.7 billion by 2031. Expected market growth is driven by factors that include rising rodent populations, growing consumer demand for pest control, and the availability of natural rodenticides.

The rise in rodent populations has been associated with the spread of multiple infectious diseases. We discussed the recent hantavirus outbreak earlier. In addition, roughly 15,205 rodent-associated viruses have been identified as of April 2025, according to the [NIH](#), which notes that “Rodents have long posed a challenge for humans, as they damage crops, invade homes, and spread various diseases caused by several pathogens...” In turn, this has led to heightened awareness of and interest in rodent control solution across industrial, residential, and commercial settings.

According to Pest Control Technology ([PCT](#)) trade publication, for the average pest management company, rodent services accounted for 24% of total revenue in 2024, and more than half of survey respondents (56%) reported it has become a more significant portion of their business over the past five years.

The most widely used tool to control rodent populations is the use of anticoagulant [rodenticides](#) (ARs), which as noted can be harmful to non-target wildlife and the environment. Thus, alternative solutions appear to be gaining traction due to their non-toxic nature to humans, pets, and wildlife.

Using a combination of tools together – which is the concept of IPM programs – is generally considered to be the most effective and sustainable way to contain rodent populations, as noted earlier. The EPA defines IPM as an effective and environmentally sensitive approach to pest management that relies on a combination of common-sense practices and current, comprehensive information on the life cycles of pests and their interaction with the environment.

The IPM approach is designed to minimize impact on human health and also includes economic and environmental considerations when designing the program. In order to help limit continuous application of toxic chemicals such as lethal rodenticides, an effective IPM program is designed to reduce the existing rat population and concurrently prevent population rebounds and recurrences of infestations. The company’s field research indicates that the addition of a fertility control product to an IPM program has demonstrated greater than 90% efficacy and contributed to sustained population suppression. A fertility control program helps lower the rebound in population as rodents give birth. Fertility control can therefore reduce reliance on toxic chemicals and, importantly, lower the frequency of their application.

MANAGEMENT

Chief Executive Officer (CEO)

In May 2026, SNES appointed Michael Edell as its new President and Chief Executive Officer (CEO). He previously was the company’s interim Chief Operating Officer (COO), as noted, since October 2025. Prior to joining SenesTech, he founded several companies including Westlake Serial Company, a consumer products company focused on bringing new brands and products to market across ecommerce, digital marketplaces, and direct-to-consumer channels. Earlier, he sold a company he founded to Microsoft.

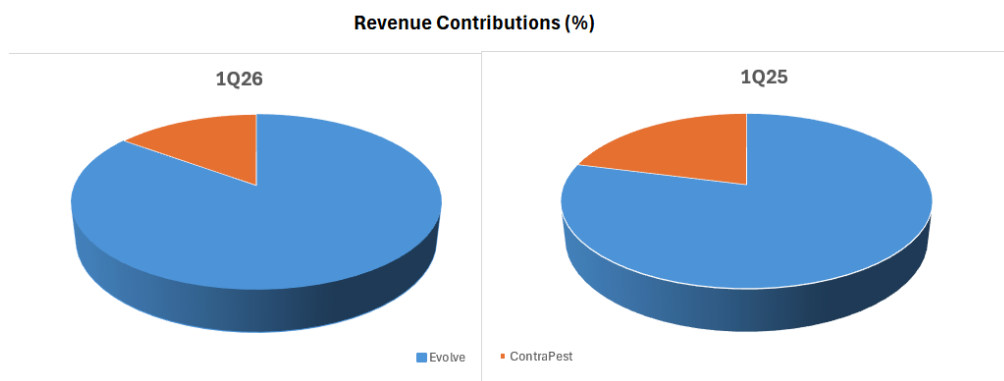
Chief Financial Officer (CFO)

Tom Chesterman took on the CFO position in September 2015. He has more than 20 years of experience as CFO of a public company in the life science, tech, and telecommunications sectors. Prior to joining SenesTech, he was the VP and Treasurer of telecommunications company GCI in Alaska. Before that he was the CFO of life science companies such as Bio-Rad Laboratories, Aradigm, and Bionovo.

Courtney Ray is the Vice President of Science and Innovation at SenesTech. She helped launch SenesTech's products commercially and has led efficacy research, managed customer field trials, and supported regulatory efforts to expand product use. Prior to SenesTech, she worked across academia, government, and the nonprofit sector, focusing on research initiatives in wildlife management.

RECENT RESULTS - SNES'S 2025 HIGHLIGHTS

In 1Q26 SNES revenue advanced 2% to \$493k compared to \$485k in 1Q25, despite roughly \$157k of reduced third-party e-commerce revenue related to the transition to in-house management of Amazon sales. DTC revenue increased 42% to \$194k, driven by Amazon sales, offset partially by \$17k lower third party e-commerce revenues, due to the transition to managing Amazon efforts internally and continued subscription revenue growth of 44%. B2B revenue increased 57%, reflecting continued traction across distributor, municipal, and professional channels. The recently launched Evolve product line appears to be a growth driver, we believe.



Gross profit increased 8% to \$338k and the gross margin expanded to a record 68.6% on direct channel economics and improved pricing. Including \$443k in severance costs and one-time legal expenses, the net loss was \$2.1 million, compared to \$1.7 million. The adjusted EBITDA loss was \$1.6 million compared to \$1.5 million.

SNES had cash and equivalents of \$6.8 million at the end of 1Q26. Moreover, the satisfactory resolution with Liphatech eliminates related litigation costs going forward, which likely will partially lower cash burn. SNES raised \$2.7 million in 2025 from issuing stock and another \$10.5 million came from the exercise of warrants. To reach breakeven and profitability, the company continues to emphasize operational efficiency, manufacturing cost reductions, and sales channel optimization. The company's near-term priorities are to further scale the Evolve product family, expand e-commerce and retail and professional distribution channels to move toward profitability. We believe potential upcoming milestones and/or catalysts likely include Further revenue and profitability improvements, commercial deployments as pilots deliver measurable reductions in rodent populations and a potential pilot with an agricultural company, among others.

Upcoming potential milestones

- Further revenue, profitability improvements
- Commercial deployment with municipality
- Potential pilot with an agricultural company

VALUATION

We are encouraged by the revenue advances SNES has recorded at this early stage in launching recent growth measures and believe the benefits of recent and pending initiatives could further enhance growth in the coming quarters. To reach breakeven and profitability, the company continues to emphasize operational improvements, manufacturing cost reductions, and optimizing its sales channels, as noted. If/when revenue increases profitability and profitability improves, we would expect this to lead to multiple expansion and share price appreciation over time. In success, we believe there is a substantial opportunity within the sector as the company maintains its growth strategy.

We believe it is difficult to compare SNES shares to those of other publicly traded companies. SNES has a business model that is unlike those of the handful of pest control companies that trade publicly and which rely on traditional methods of management and/or focus on multiple pest populations.

There does not seem to be a direct competitor to SenesTech. Many companies that offer pest control solutions such as rodenticides are subsidiaries of larger chemical companies. Others, such as Rollins, Inc. (ROL-nr), target multiple pest populations and generally rely on traditional pest control methods. Rollins also provides pest control services.

Nevertheless, we believe using Rollins as a general benchmark can help derive a near-term valuation on SNES shares as SenesTech continues to pursue and potentially deliver proof-of-concept results that can, along with its growth measures, be catalysts for share price appreciation over time. We would also expect SNES to enjoy better growth rates than many other companies in the pest management space at this point in its development. Rollins trades at over 6x to nearly 8x on a price-to-sales (P/S) basis based on Yahoo Finance data.

At this point, we use a P/S multiple at a slight discount to Rollins even though, as noted, we expect SNES to enjoy stronger growth at this stage. We also believe applying a confidence factor is appropriate and assign a 90% risk adjustment confidence multiple to our 2026 forecast. If revenue ramps faster than we anticipate, our confidence multiple might prove conservative. On this basis, we derive a near-term valuation of about \$3.50 per SNES share. If the company delivers milestones earlier than anticipated, it could impact these multiples and adjustments.

Any delay or failure in successful execution of the strategy could represent a potential risk to the company's valuation and cause the share price to decline. Nevertheless, given the industry backdrop and company measures, we believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

RECENT NEWS

- SNES announced 1Q26 results on May 12, 2026.
- SenesTech appointed Michael Edell as President and Chief Executive Officer on May 07, 2026.
- On February 18, 2026, SenesTech reported significant reductions in rodent activity following in urban Evolve® deployments.
- On February 10, 2026, SenesTech strengthened its DTC commercial strategy by directly managing Amazon Sales of Evolve™ Rat and Evolve™ Mouse.
- On February 2, 2026, SenesTech's Evolve® was approved in New Zealand.
- SenesTech announced a CEO transition plan on January 28, 2026.

RISKS

We believe risks to SenesTech achieving its goals and to the company's valuation include the following, among other risks.

- SNES might not gain market share in new categories or distribution channels as quickly as the company expects, which could lead to slower than anticipated revenue growth.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.
- The launch of new products or brand extensions could cannibalize existing product lines more significantly than expected.

FINANCIAL MODEL

SenesTech

SenesTech Inc. (\$000s except per share amounts)

	1Q25	2Q25	3Q25	4Q25	2025	1Q26A	2Q26E	3Q26E	4Q26E	2026E
Revenues	\$485	\$625	\$690	\$421	\$2,221	\$493	\$670	\$787	\$501	\$2,451
Cost of sales	<u>172</u>	<u>216</u>	<u>257</u>	<u>188</u>	<u>833</u>	<u>155</u>	<u>221</u>	<u>260</u>	<u>165</u>	<u>801</u>
Gross profit	313	409	433	233	1,388	338	449	527	336	1,650
Operating expenses:										
R&D	418	427	400	453	1,698	422	438	410	464	1,734
S.G&A	<u>1,558</u>	<u>1,596</u>	<u>1,380</u>	<u>1,661</u>	<u>6,195</u>	<u>2,035</u>	<u>1,788</u>	<u>1,546</u>	<u>1,860</u>	<u>7,228</u>
Total operating expenses	1,976	2,023	1,780	2,114	7,893	2,457	2,225	1,956	2,325	8,962
Loss from operations	(1,663)	(1,614)	(1,347)	(1,881)	(6,505)	(2,119)	(1,776)	(1,429)	(1,989)	(7,313)
Interest income (expense):										
Interest income	3	4	55	82	144	60	55	51	47	213
Interest expense	<u>(5)</u>	<u>(6)</u>	<u>(6)</u>	<u>(5)</u>	<u>(22)</u>	<u>(4)</u>	<u>(6)</u>	<u>(6)</u>	<u>(5)</u>	<u>(21)</u>
Interest income (expense),	(2)	(2)	49	77	122	56	49	45	42	191
Net loss and comprehensi	(1,665)	(1,616)	(1,298)	(1,804)	(6,383)	(2,063)	(1,727)	(1,384)	(1,947)	(7,122)
Net loss per share	(\$1.28)	(\$0.87)	(\$0.28)	(\$0.35)	(\$1.95)	(\$0.39)	(\$0.33)	(\$0.26)	(\$0.37)	(\$1.35)
Weighted avg shares out	1,300.0	1,854.5	4,668.0	5,223.0	3,276.0	5,263.7	5,266	5,268	5,270	5,267

Source: Company reports, Zacks estimates

HISTORICAL STOCK PRICE



Source: Yahoo Finance

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, M. Marin, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.

SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.