Sage Therapeutics Announces Strategic Reorganization to Prioritize ZURZUVAE® Commercialization and Focus its Development Portfolio

October 17, 2024

Planned workforce reduction of approximately 33% of employees expected to extend the company's cash runway

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Oct. 17, 2024-- Sage Therapeutics, Inc. (Nasdaq: SAGE), today announced a strategic reorganization of its business operations to support the ongoing launch of ZURZUVAE in postpartum depression and focus pipeline development efforts ahead of a clinical study readout for dalzanemdor in Huntington's Disease expected later this year. The reorganization is intended to enable Sage to strengthen its balance sheet, extend cash runway, and position the company for long-term growth potential.

The reorganization is planned to be substantially completed by the end of the 4th quarter of 2024 and expected to:

- Impact over 165 employees (approximately 33% of the company's total workforce and approximately 55% of the company's R&D workforce), including changes to the leadership team
- Implement early-stage pipeline prioritization

"We are being deliberate and purposeful in our efforts to reorganize the company with the goal of having the flexibility to execute immediate priorities and build for long term growth and value creation. This is difficult but necessary and we believe it will right-size Sage for future growth potential. This move allows for continued focused investment in the ongoing launch of ZURZUVAE for women with postpartum depression and development of our prioritized portfolio," said Barry Greene, Chief Executive Officer at Sage Therapeutics. "I want to extend my deepest gratitude to our departing employees for their significant contributions to our work and their dedication to making a difference for patients."

The changes to Sage's leadership team include:

- **Anne Marie Cook**, Senior Vice President, General Counsel; **Kimi Iguchi**, Chief Financial Officer; **Matt Lasmanis**, Chief Technology and Innovation Officer; **Heinrich Schlieker**, Ph.D., Senior Vice President of Technical Operations; and **Amy Schacterle**, Ph.D., Senior Vice President of R&D Strategy and Business Management will depart Sage.
- **Chris Benecchi** will take on an expanded role as Chief Operating Officer and will oversee Finance, Information Technology, and Technical Operations in addition to continuing to oversee Business Development, Medical Affairs and Commercial.
- **Greg Shiferman** will be promoted to Senior Vice President, General Counsel.
- **Vanessa Procter** will take on an expanded role as Senior Vice President of Corporate Affairs and will oversee Investor Relations in addition to Corporate Communications, Government Affairs and Patient Advocacy.

Sage expects a non-recurring charge of approximately $26 million to $28 million associated with the reorganization, primarily incurred in the fourth quarter of 2024. The company anticipates that the implementation of the restructuring will extend its cash runway and expects to provide updated cash runway guidance in the near future.

SELECT IMPORTANT SAFETY INFORMATION FOR ZURZUVAE:

ZURZUVAE (zuranolone) CIV, is a neuroactive steroid gamma-aminobutyric acid A (GABAA) receptor positive modulator indicated for the treatment of postpartum depression in adults.

This does not include all the information needed to use ZURZUVAE safely and effectively. See full prescribing information for ZURZUVAE.

ZURZUVAE may cause serious side effects. The most common side effects of ZURZUVAE include sleepiness or drowsiness, dizziness, common cold, diarrhea, feeling tired, weak, or having no energy, and urinary tract infection. ZURZUVAE may decrease your awareness and alertness, which can affect your ability to drive safely or safely do other dangerous activities. Do not drive, operate machinery, or do other dangerous activities until at least 12 hours after taking each dose during your 14-day treatment course of ZURZUVAE. You may not be able to tell on your own if you can drive safely or tell how much ZURZUVAE is affecting you. ZURZUVAE may cause sleepiness, drowsiness, slow thinking, dizziness, confusion, and trouble walking. Because of these symptoms, you may be at a higher risk for falls during treatment with ZURZUVAE. Taking alcohol, other medicines that cause CNS depressant effects, or opioids while taking ZURZUVAE can make these symptoms worse and may also cause trouble breathing. Tell your healthcare provider if you develop any of these symptoms, or if they get worse during treatment with ZURZUVAE. Your healthcare provider may decrease your dose or stop ZURZUVAE treatment if you develop these symptoms. ZURZUVAE is a federal controlled substance (C-IV) because it contains zuranolone, which can be abused or lead to dependence. Tell your healthcare provider right away if you become pregnant or plan to become pregnant during treatment with ZURZUVAE. You should use effective birth control (contraception) during treatment with ZURZUVAE and for 1 week after the final dose. ZURZUVAE and other antidepressant medicines may increase the risk of suicidal thoughts and actions in people 24 years of age and younger. ZURZUVAE is not for use in children.

About Sage Therapeutics

Sage Therapeutics (Nasdaq: SAGE) is a biopharmaceutical company committed to our mission of pioneering solutions to deliver life-changing brain health medicines, so every person can thrive. Sage developed the only two FDA-approved treatments indicated for postpartum depression and is advancing a robust pipeline to target unmet needs in brain health. Sage was founded in 2010 and is headquartered in Cambridge, Mass.

Find out more at www.sagerx.com or engage with us on Facebook, LinkedIn, Instagram, and X.

Sage Forward-Looking Statements

Various statements in this release concern Sage's future expectations, plans and prospects, including without limitation our statements regarding: the amount and timing of the expected non-recurring charge associated with the reorganization; our expectation that the reorganization will strengthen our balance sheet and extend our cash runway; the number of employees expected to be impacted by the reorganization; our belief that the reorganization will right-size the organization for future growth potential; our goal to position the company for long-term growth and value creation and the potential to achieve that goal; our plans to implement our early-stage pipeline prioritization; the expected timing of readout of the DIMENSION Study of dalzanemdor in Huntington's Disease; the potential for ongoing success in the launch of ZURZUVAE in the treatment of women with PPD; and the mission and goals for our business. These statements constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are neither promises nor guarantees of future performance, and are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements, including the risks that: we may incur additional charges or expenses associated with the reorganization; we may not realize cost savings from the reorganization at the levels we expect, and as a result, the reorganization may not strengthen our balance sheet or enable us to extend our cash runway; the internal and external costs required for our ongoing, planned and other future activities, and the resulting impact on expense and use of cash, may be higher than expected which may cause us to use cash more quickly than we expect or change or curtail some of our plans, or both; our expectations as to cash runway and cash needs may prove not to be correct for other reasons such as changes in plans or actual events being different than our assumptions; we may be opportunistic in our future financing plans even with our expectations regarding extending the cash runway; our launch and commercialization efforts in the U.S. with respect to ZURZUVAE for the treatment of women with PPD may not be successful, and we may be unable to generate revenues at the levels or on the timing we expect or at levels or on the timing necessary to support our goals, including our value creation goals; the number of women with PPD, the unmet need for additional treatment options, and the potential market for ZURZUVAE in this indication may be significantly smaller than we expect; ZURZUVAE may not achieve the clinical benefit, clinical use or market acceptance we expect in the treatment of women with PPD or we may encounter reimbursement-related or other market-related issues, including competition in the market, that impact the success of our commercialization efforts; we may not be successful in our development of any of our product candidates in any indication we are currently pursuing or may in the future pursue; we may encounter unexpected issues that delay our plans to disclose the results of the DIMENSION Study; success in our non-clinical studies or in earlier clinical trials may not be repeated or observed in ongoing or future studies, and ongoing and future non-clinical and clinical results, including the DIMENSION Study, may not meet their primary or key secondary endpoints or be sufficient to file for or gain regulatory approval to market the product without further development work or may not support further development at all; we may encounter adverse events for ZURZUVAE at any stage that negatively impact commercialization in women with PPD; we may encounter adverse events for any of our product candidates that impact further development or the potential for future regulatory approval; decisions or actions of the FDA may affect the initiation, timing, design, size, progress, cost and potential for success of clinical trials of our product candidates and our ability to proceed with further development or may impair the potential for successful development; the need to align with our collaborator may hamper our ongoing commercialization efforts or increase our costs; any issues related to our development or commercialization efforts or our financial position may negatively impact the opportunity for our business or our ability to achieve our goals, including our value creation goal; as well as those risks more fully discussed in the section entitled "Risk Factors" in our most recent quarterly report, as well as discussions of potential risks, uncertainties, and other important factors in our subsequent filings with the Securities and Exchange Commission. In addition, any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. We explicitly disclaim any obligation to update any forward-looking statements.

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