UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-36544

Sage Therapeutics, Inc.
(Exact name of registrant as specified in its Charter)

Delaware	**27-4486580**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

215 First Street
Cambridge, Massachusetts 02142
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code: (617) 299-8380

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	SAGE	The Nasdaq Global Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 18, 2024, there were 60,182,031 shares of the registrant's common stock, $0.0001 par value per share, outstanding.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, or Quarterly Report, contains forward-looking statements that involve risks and uncertainties. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expects", "intends", "plans", "anticipates", "believes", "estimates", "predicts", "potential", "continue" or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our expectations and goals for commercialization of ZURZUVAE™ in the U.S. as a treatment for women with postpartum depression, or PPD, including our beliefs in the potential benefit and profile of ZURZUVAE for the treatment of women with PPD; our estimates as to the number of women with PPD and our belief in the market opportunity in this indication; the potential market for ZURZUVAE for the treatment of women with PPD; our market access, sales and marketing, customer support, and distribution strategies for ZURZUVAE and related expectations, goals, and assumptions; our market access goal of helping all women with PPD who are prescribed ZURZUVAE gain access to ZURZUVAE as quickly as possible with minimal restrictions; and the potential future results of our commercialization efforts in the U.S.;
- our plans to continue to evaluate next steps after receipt of a complete response letter, or CRL, issued by the U.S. Food and Drug Administration, or FDA, related to our new drug application, or NDA, for zuranolone for the treatment of major depressive disorder, or MDD, in adults;
- our views as to the potential for zuranolone to be developed in additional indications;
- our expectations and estimates regarding: the level of expenses we may incur in connection with our activities; use of cash, cash runway and projected cash balance at any given time; timing of future cash needs; capital requirements; funding from potential revenue; anticipated funding from ongoing collaborations; sources of future financing; and our ability to obtain additional financing when needed to fund future operations;
- our plans for the development of our product candidates for the treatment of brain health diseases and disorders, and potentially for other indications, including our development plans for dalzanemdor; the potential for positive results from our ongoing studies of dalzanemdor for the treatment of cognitive impairment associated with Huntington's disease and Alzheimer's disease, despite negative results from the Phase 2 PRECEDENT Study evaluating dalzanemdor for the treatment of cognitive impairment associated with Parkinson's disease; our beliefs as to the potential profile and benefit of our product candidates; our plans with respect to other research and development activities; and expected timelines for our planned activities;
- our ability, within the expected time frames, to initiate clinical trials and non-clinical studies of existing or future product candidates, including pivotal clinical trials, and to successfully enroll, complete and announce the results of ongoing or future clinical trials;
- our belief as to potential outcomes of our clinical development and commercialization activities;
- our plans and potential outcomes with respect to interactions with regulatory authorities;
- our plans for and the potential costs, benefits and outcomes of our existing collaborations with Biogen MA Inc., or BIMA, and Biogen International GmbH, or, together with BIMA, Biogen, and Shionogi & Co., Ltd., or Shionogi, and our plans for and potential outcomes of any additional business development efforts;
- our plans and expectations with respect to the potential development of any product or product candidate for markets outside the U.S.;
- our expectations with respect to the availability of supplies of ZURZUVAE, ZULRESSO, and our product candidates, and the expected performance of our third-party manufacturers, including conformity with applicable regulatory requirements;
- our ability to obtain and maintain intellectual property protection for our proprietary assets and other forms of exclusivity relevant to our business;

- the estimated number of patients with diseases or disorders of interest to us and the potential size of the market for our products and product candidates in the indications we are pursuing or plan to study;
- the potential for our current products and current or future product candidates, if successfully developed and approved, for the indications and in the markets for which they are approved and our ability to serve those markets;
- the potential for success of competing products that are or become available for the treatment of PPD or any of the other indications that we are pursuing or may pursue in the future with our products and our product candidates;
- the impact of changes to the macroeconomic environment and geopolitical events on our activities, business and results of operations, and the potential success of our efforts to address or mitigate such impact; and
- other risks and uncertainties, including those listed under Part II, Item 1A, Risk Factors.

Any forward-looking statements in this Quarterly Report reflect our current views with respect to future events and with respect to our business and future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described under Part II, Item 1A, Risk Factors and elsewhere in this Quarterly Report. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

We may from time to time provide estimates, projections and other information concerning, among other things, our industry, the general business environment, and the markets for certain diseases, including estimates regarding the potential size of those markets and the estimated incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events, circumstances or numbers, including actual disease prevalence rates and market size, may differ materially from the information we provide in this Quarterly Report. Unless otherwise expressly stated, we obtained this industry and business information, market data, prevalence information and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties; industry, medical and general publications; government data; and similar sources, in some cases applying our own assumptions and analysis that may, in the future, prove not to have been accurate.

This Quarterly Report on Form 10-Q contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Quarterly Report on Form 10-Q and the documents incorporated by reference herein may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Summary of Risks Related to our Business

Our business, prospects, financial condition, and operating results are subject to numerous risks and uncertainties that you should be aware of before making an investment decision, as more fully described under Part II, Item 1A, Risk Factors and elsewhere in this Quarterly Report. These risks may include, but are not limited to, the following:

- Our future business prospects depend heavily on our ability, with our collaborator Biogen, to successfully commercialize ZURZUVAE for the treatment of women with PPD. We and Biogen may not be successful in our commercialization efforts for ZURZUVAE for the treatment of women with PPD. ZURZUVAE may not achieve broad market acceptance from healthcare professionals, patients or payors for the treatment of this disease. For example, healthcare professionals may decide not to use ZURZUVAE as a treatment option for their patients with PPD or to only prescribe ZURZUVAE for a subset of women with PPD in their practice who they consider to have particularly severe symptoms relative to other patients suffering from this disease. Women with PPD may decide that they do not want to be treated with ZURZUVAE including out of concerns about its safety and tolerability profile or use while breastfeeding. Payors may decide to limit reimbursement for ZURZUVAE, including by requiring women with PPD to try other treatments prior to ZURZUVAE, requiring a specific showing of symptom severity on measurements scales, requiring prior consultation with a psychiatrist, or imposing other onerous prior authorization requirements, or may deny reimbursement for other reasons or in all cases. Also, even if a healthcare professional writes a prescription for ZURZUVAE, it may not result in product being shipped to a patient and a patient taking ZURZUVAE. The healthcare professional or the patient may, for example, not take the steps necessary to obtain reimbursement or to have the prescription filled at the specialty pharmacy or may find the process too slow or complicated. We may also encounter other limitations or issues related to the commercialization of ZURZUVAE, including as a result of its price. As a result, we may not generate revenues at the levels or on the timing we expect. 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. Any setback or delay in our ability to market ZURZUVAE for the treatment of women with PPD may have a material adverse effect on our business and prospects.
- Our future business prospects also depend heavily on our ability to successfully develop and gain regulatory approval of our product candidates. We cannot be certain that we or our collaborators, where applicable, will be able to initiate new clinical trials, complete ongoing enrollment, dosing or data analysis of clinical trials, or announce results of ongoing or future clinical trials of our product candidates, in each case on the timelines we expect or at all, or that the results of our development programs will be positive or sufficient to file for regulatory approval. Decisions or actions of the FDA or other regulatory agencies may adversely affect our plans, progress or results at any stage of development. We cannot be certain that we or our collaborators will be able to successfully file or obtain regulatory approval for, or successfully commercialize, if approved, any of our product candidates on the timelines we expect or at all. Any setback or delay in obtaining regulatory approval for any of our product candidates or in our ability to commence marketing of our products, if approved, may have a material adverse effect on our business and prospects.
- If the affected populations for indications our products and product candidates are targeting, including the addressable markets within such populations, or the number of patients within such markets who are actually treated with our products, are smaller than we anticipate, or our other assumptions with respect to the potential markets for our products and product candidates are incorrect, our ability to achieve profits from the commercialization of such products, if approved, at the levels or on the timing we expect could be materially adversely impacted.
- We may not achieve positive results in the ongoing or planned clinical trials and non-clinical studies of our product candidates. Positive results from earlier non-clinical studies and clinical trials of our product candidates are not necessarily predictive of the results of later non-clinical studies and clinical trials of our product candidates in the same indications or other indications. The results of non-clinical studies or clinical trials of our product candidates at any stage may not support further development or may not be sufficient to file for and obtain regulatory approval.

- If serious adverse events or other undesirable side effects are identified during the use of any of our marketed products or product candidates, such events may adversely affect market acceptance or result in other significant negative consequences for an approved product; delay or prevent further development or regulatory approval with respect to product candidates; or cause regulatory authorities to require labeling statements, such as boxed warnings, or a Risk Evaluation and Mitigation Strategy, on approved products.
- We may not generate revenues from our existing products, or any of our product candidates if successfully developed, at the levels we expect. We may not achieve events tied to cash milestone payments or other payments from our collaboration partners on the timelines we expect or at all. Our expenses may also be higher than we expect, including as a result of unexpected events or changes in plans. Also, we may not achieve cost savings from our August 2023 corporate reorganization at the levels we expect. As a result, our expectations as to our cash runway and the sufficiency of cash to fund our future operations may prove to be incorrect. We may need to raise additional funding in the future, which may not be available on acceptable terms, or at all.
- Any impairment of the ability of our third-party suppliers to supply product or to meet applicable regulatory standards may significantly negatively impact our ability to achieve our goals and plans and to meet the expectations for our business.
- Competing therapies may exist or could emerge that adversely affect the amount of revenue we are able to generate from the sale of ZURZUVAE, ZULRESSO, or any of our other current or future product candidates, if successfully developed and approved.
- Our existing collaborations with Biogen and Shionogi, and any future collaborations, may not lead to the successful development or regulatory approval of product candidates or commercialization of products in the territories covered by the applicable collaboration. Our collaborators may have competing priorities, conflicting incentives, or different views than us on key decisions, that may hamper or delay our development and commercialization efforts or increase our costs. Our business may be adversely affected and we may be subject to delays, disputes, or litigation if we disagree significantly with any of our collaborators, or any of our collaborators fails to perform its obligations or terminates our collaboration in whole or in part.
- If we are unable to adequately protect our proprietary technology, or obtain and maintain issued patents sufficient to protect our products or product candidates, others could compete against us more directly, which would have a material adverse impact on our business, results of operations, financial condition and prospects.
- If we were to lose our rights to certain licensed intellectual property, or if we are not able to obtain licenses to intellectual property we may determine we need in the future, we may not be able to continue developing or commercializing certain of our products or product candidates, if approved.
- Existing or future laws, regulations, executive orders or policies aimed at reducing healthcare costs may have a material adverse effect on our business or results of operations. For example, the Inflation Reduction Act of 2022 and other existing, pending or future federal and state reforms aimed at reducing healthcare costs, including pricing and reimbursement of pharmaceutical products, may in the future result in reduced reimbursement and access for our products or cause us to curtail certain development plans due to concerns about commercial viability, any of which could adversely affect our ability to generate revenue and negatively impact our business, results of operations and financial condition.
- We are subject to healthcare laws and regulations, which could expose us to the risk of criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings if we or our employees are alleged or determined not to have complied with such laws and regulations.
- Our stock price may fluctuate in response to a number of factors.

Sage Therapeutics, Inc.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Sage Therapeutics, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 172,653	$ 70,992
Marketable securities	544,360	682,192
Prepaid expenses and other current assets	26,588	31,825
Collaboration receivable - related party	10,509	83,009
Restricted cash	1,332	1,332
Total current assets	755,442	869,350
Property and equipment, net	1,585	1,921
Restricted cash	1,500	—
Right-of-use operating asset	2,857	4,458
Other long-term assets	6,216	6,548
Total assets	$ 767,600	$ 882,277
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 6,479	$ 10,318
Accrued expenses	52,014	67,264
Operating lease liability, current portion	3,306	5,165
Total current liabilities	61,799	82,747
Total liabilities	61,799	82,747
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, $0.0001 par value per share; 5,000,000 shares authorized at March 31, 2024 and December 31, 2023; no shares issued or outstanding at March 31, 2024 and December 31, 2023	—	—
Common stock, $0.0001 par value per share; 120,000,000 shares authorized at March 31, 2024 and December 31, 2023; 60,185,064 and 60,046,676 shares issued at March 31, 2024 and December 31, 2023; 60,182,031 and 60,043,643 shares outstanding at March 31, 2024 and December 31, 2023	6	6
Treasury stock, at cost, 3,033 shares at March 31, 2024 and December 31, 2023	(400)	(400)
Additional paid-in capital	3,385,124	3,370,397
Accumulated deficit	(2,678,142)	(2,569,659)
Accumulated other comprehensive loss	(787)	(814)
Total stockholders' equity	705,801	799,530
Total liabilities and stockholders' equity	$ 767,600	$ 882,277

The accompanying notes are an integral part of these condensed consolidated financial statements.

Sage Therapeutics, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Product revenue, net	$ 1,690	$ 3,294
Collaboration revenue - related party	6,212	—
Total revenue	7,902	3,294
Operating costs and expenses:		
Cost of revenues	1,269	230
Research and development	71,734	92,826
Selling, general and administrative	52,574	65,708
Total operating costs and expenses	125,577	158,764
Loss from operations	(117,675)	(155,470)
Interest income, net	9,204	8,830
Other expense, net	(12)	(188)
Net loss	$ (108,483)	$ (146,828)
Net loss per share—basic and diluted	$ (1.80)	$ (2.46)
Weighted average number of common shares outstanding—basic and diluted	60,136,198	59,674,127
Comprehensive loss:		
Net loss	$ (108,483)	$ (146,828)
Other comprehensive items:		
Unrealized gain on marketable securities	27	5,118
Total comprehensive loss	$ (108,456)	$ (141,710)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Sage Therapeutics, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities		
Net loss	$ (108,483)	$ (146,828)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	13,698	20,038
Premium on marketable securities	(23)	(29)
Amortization of discount on marketable securities	(1,554)	(3,179)
Depreciation expense	336	323
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	5,237	(8,024)
Collaboration receivable - related party	72,500	(1,342)
Other long-term assets	332	515
Right-of-use operating asset	1,601	1,470
Operating lease liabilities, current	(1,859)	41
Operating lease liabilities, non-current	—	(1,728)
Accounts payable	(3,839)	(6,550)
Accrued expenses and other liabilities	(15,778)	(8,389)
Net cash used in operating activities	(37,832)	(153,682)
Cash flows from investing activities		
Proceeds from sales and maturities of marketable securities	201,054	351,982
Purchases of marketable securities	(61,618)	(156,890)
Purchases of property and equipment	—	(225)
Net cash provided by investing activities	139,436	194,867
Cash flows from financing activities		
Proceeds from stock option exercises and employee stock purchase plan issuances	1,559	3,301
Payment of employee tax obligations related to vesting of restricted stock units	(2)	(629)
Net cash provided by financing activities	1,557	2,672
Net increase in cash, cash equivalents and restricted cash	103,161	43,857
Cash, cash equivalents and restricted cash at beginning of period	72,324	163,969
Cash, cash equivalents and restricted cash at end of period	$ 175,485	$ 207,826

The accompanying notes are an integral part of these condensed consolidated financial statements.

Sage Therapeutics, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholders' Equity
(in thousands, except share data)
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at December 31, 2022	59,509,125	$ 6	3,033	$ (400)	$ 3,291,369	$ (10,206)	$ (2,028,170)	$ 1,252,599
Issuance of common stock from exercises of stock options	52,058	—	—	—	438	—	—	438
Issuance of common stock under the employee stock purchase plan	76,105	—	—	—	2,863	—	—	2,863
Stock-based compensation expense	—	—	—	—	19,568	—	—	19,568
Change in unrealized loss on available-for-sale securities	—	—	—	—	—	5,118	—	5,118
Vesting of restricted stock units, net of employee tax obligations	124,713	—	—	—	(629)	—	—	(629)
Net loss	—	—	—	—	—	—	(146,828)	(146,828)
Balances at March 31, 2023	59,762,001	$ 6	3,033	$ (400)	$ 3,313,609	$ (5,088)	$ (2,174,998)	$ 1,133,129
Balances at December 31, 2023	60,043,643	$ 6	3,033	$ (400)	$ 3,370,397	$ (814)	$ (2,569,659)	$ 799,530
Issuance of common stock from exercises of stock options	7,142	—	—	—	52	—	—	52
Issuance of common stock under the employee stock purchase plan	61,402	—	—	—	1,507	—	—	1,507
Stock-based compensation expense	—	—	—	—	13,170	—	—	13,170
Change in unrealized loss on available-for-sale securities	—	—	—	—	—	27	—	27
Vesting of restricted stock units, net of employee tax obligations	69,844	—	—	—	(2)	—	—	(2)
Net loss	—	—	—	—	—	—	(108,483)	(108,483)
Balances at March 31, 2024	60,182,031	$ 6	3,033	$ (400)	$ 3,385,124	$ (787)	$ (2,678,142)	$ 705,801

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Nature of the Business

Sage Therapeutics, Inc. ("Sage" or the "Company") is a biopharmaceutical company with a mission to pioneer solutions to deliver life-changing brain health medicines, so every person can thrive.

The Company's product ZURZUVAE™ (zuranolone) was approved by the U.S. Food and Drug Administration (the "FDA") on August 4, 2023 for the treatment of postpartum depression ("PPD") in adults. ZURZUVAE is a neuroactive steroid that is a positive allosteric modulator of $GABA_A$ receptors, targeting both synaptic and extrasynaptic $GABA_A$ receptors, and is the first oral, once-daily, 14-day treatment specifically indicated for adults with PPD. ZURZUVAE became commercially available for women with PPD in December 2023. The Company's product ZULRESSO® (brexanolone) CIV injection is approved in the U.S. for the treatment of PPD in individuals 15 years old and older. The Company launched ZULRESSO commercially in the U.S. in June 2019. ZULRESSO may only be administered in qualified, medically-supervised healthcare settings. Brexanolone is chemically identical to allopregnanolone, a naturally occurring neuroactive steroid that, like zuranolone, acts as a positive allosteric modulator of $GABA_A$ receptors.

Additionally, on August 4, 2023, the FDA issued a complete response letter ("CRL") related to the Company's new drug application ("NDA") for zuranolone for the treatment of major depressive disorder ("MDD"). The CRL stated that the NDA did not provide substantial evidence of effectiveness to support the approval of zuranolone for the treatment of MDD and that one or more additional clinical trials will be needed. The Company and Biogen MA Inc. ("BIMA") and Biogen International GmbH (collectively with BIMA, "Biogen") are continuing to seek feedback from the FDA and are evaluating next steps.

The Company has a portfolio of product candidates with a current focus on modulating two critical central nervous system ("CNS") receptor systems, GABA and NMDA. The GABA receptor family, which is recognized as the major inhibitory neurotransmitter in the CNS, mediates downstream neurologic and bodily function via activation of $GABA_A$ receptors. The NMDA-type receptors of the glutamate receptor system are a major excitatory receptor system in the CNS. Dysfunction in these systems is implicated in a broad range of CNS disorders. Alongside the Company's postpartum depression commercial products, it is targeting diseases and disorders of the brain across its pipeline.

The Company was incorporated under the laws of the State of Delaware on April 16, 2010, and commenced operations on January 19, 2011 as Sterogen Biopharma, Inc. On September 13, 2011, the Company changed its name to Sage Therapeutics, Inc.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to companies in the biopharmaceutical industry, including, but not limited to, the risks associated with developing product candidates at each stage of non-clinical and clinical development; the challenges associated with gaining regulatory approval of such product candidates; the risks associated with the marketing and sale of pharmaceutical products; the potential for development by third parties of new technological innovations that may compete with the Company's products and product candidates; the dependence on key personnel; the challenges of protecting proprietary technology; the need to comply with government regulations; the high costs of drug development; the uncertainty of being able to secure additional capital when needed to fund operations; and the direct or indirect impacts of the macroeconomic environment and geopolitical events on its development activities, operations and financial condition.

The product candidates developed by the Company require approvals from the FDA or foreign regulatory agencies prior to commercial sales. There can be no assurance that the current and future product candidates of the Company will receive, or that the Company's current products, ZULRESSO and ZURZUVAE, will maintain, the necessary approvals. If the Company fails to successfully complete clinical development and generate results sufficient to file for regulatory

approval or is denied approval or approval is delayed for any of its product candidates, such occurrences may have a material adverse impact on the Company's business and its financial condition.

The Company is also subject to additional risks and uncertainties arising from changes to the macroeconomic environment and geopolitical events. U.S. and global financial markets have experienced volatility and disruption due to macroeconomic and geopolitical events such as rising inflation, the risk of a recession and ongoing conflicts in other countries. In addition, if equity and credit markets deteriorate, including as a result of past and potential future bank failures, it may make any future debt or equity financing more difficult to obtain on favorable terms, and potentially more dilutive to its existing stockholders. The Company cannot predict at this time to what extent it and its collaborators, employees, suppliers, contract manufacturers and/or vendors could potentially be negatively impacted by these events.

Going Concern

Under Accounting Standards Update ("ASU") No. 2014-15, *Presentation of Financial Statements—Going Concern* (Subtopic 205-40), the Company has the responsibility to evaluate whether conditions and/or events raise substantial doubt about its ability to meet its future financial obligations as they become due within one year after the date that the financial statements are issued. The Company has incurred losses and negative cash flows from operations in each year since its inception, except for net income of $606.1 million for the year ended December 31, 2020, reflecting revenue recognized under a collaboration and license agreement with Biogen (the "Biogen Collaboration Agreement"). As of March 31, 2024, the Company had an accumulated deficit of $2.7 billion. Until such time, if ever, as the Company can generate substantial product revenue and/or collaboration revenue and achieve sustained profitability, the Company expects to finance its cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other sources of funding. If the Company is unable to raise additional funds through equity or debt financings or other sources of funding when needed, the Company may be required to delay, limit, reduce or terminate product development or future commercialization efforts or grant rights to develop and market products or product candidates that the Company would otherwise prefer to develop and market itself.

The Company expects that, based on its current operating plans, the Company's existing cash, cash equivalents and marketable securities will be sufficient to fund its currently planned operations for at least the next 12 months from the filing date of these unaudited interim condensed consolidated financial statements ("condensed consolidated financial statements"). The Company anticipates it will require additional financing to fund its future operations. Even if the Company believes it has sufficient funds for its current or future operating plans, the Company may seek to raise additional capital if market conditions are favorable or in light of other strategic considerations.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of these condensed consolidated financial statements.

Basis of Presentation

The condensed consolidated financial statements of the Company included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted from this report, as is permitted by such rules and regulations. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements. In the opinion of the Company's management, the accompanying condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of March 31, 2024, its results of operations and comprehensive loss for the three months ended March 31, 2024 and 2023, its cash flows for the three months ended March 31, 2024 and 2023, and its statements of

changes in stockholders' equity for the three months ended March 31, 2024 and 2023. The consolidated balance sheet at December 31, 2023 was derived from audited financial statements, but does not include all disclosures required by GAAP. The results for the three months ended March 31, 2024 are not necessarily indicative of the results for the year ending December 31, 2024, or for any future period.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as disclosed in Note 2, *Summary of Significant Accounting Policies*, within the "Notes to Consolidated Financial Statements" accompanying its Annual Report on Form 10-K for the year ended December 31, 2023. Intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Research and Development Costs and Accruals

Research and development expenses are comprised of costs incurred in performing research and development activities, including salaries and benefits, overhead costs, depreciation, contract services and other related costs. Research and development costs are expensed to operations as the related obligation is incurred.

The Company has entered into various research and development contracts with research institutions and other companies both inside and outside of the U.S. These agreements are generally cancelable, and related costs are recorded as research and development expenses as incurred. The Company records accruals for estimated ongoing research and development costs. When billing terms under these contracts do not coincide with the timing of when the work is performed, the Company is required to make estimates of outstanding obligations to those third parties as of the end of the reporting period. Any accrual estimates are based on a number of factors, including the Company's knowledge of the progress towards completion of the research and development activities, invoicing to date under the contracts, communication from the research institution or other companies of any actual costs incurred during the period that have not yet been invoiced, and the costs included in the contracts. Significant judgments and estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ from the estimates made by the Company. The historical accrual estimates made by the Company have not been materially different from the actual costs.

Revenue Recognition

Under Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), an entity recognizes revenue when or as performance obligations are satisfied by transferring control of promised goods or services to a customer, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered options. The Company assesses if these options provide a material right to the customer and if so, they are considered performance obligations. The exercise of a material right may be accounted for as a contract modification or as a continuation of the contract for accounting purposes.

Topic 606 applies to all contracts with customers, except for contracts that are within the scope of other standards, such as collaboration arrangements.

For contracts determined to be within the scope of Topic 606, the Company assesses whether the goods or services promised within each contract are distinct to identify those that are performance obligations. This assessment involves subjective determinations and requires management to make judgments about the individual promised goods or services and whether such are separable from the other aspects of the contractual relationship. Promised goods and services are considered distinct provided that: (i) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and (ii) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The Company allocates the transaction price (the amount of consideration it expects to be entitled to from a customer in exchange for the promised goods or services) to each performance obligation and recognizes the associated revenue when (or as) each performance obligation is satisfied. The Company's estimate of the transaction price for each contract includes all variable consideration to which the Company expects to be entitled.

Product Revenue, Net

The Company generates product revenue from the sale of ZULRESSO to a limited number of specialty distributors and specialty pharmacy providers. The Company recognizes product revenue, net of variable consideration related to certain allowances and accruals that are determined using the expected value method, in its condensed consolidated financial statements at the point in time when control transfers to the customer, which is typically when the product has been delivered to the customer's location. The amount included in the transaction price is constrained to the amount for which it is probable that a significant reversal of cumulative revenue recognized will not occur. The Company's only performance obligation identified for ZULRESSO is to deliver the product to the location specified by the customer's order. The Company records shipping and handling costs associated with delivery of product to its customers within selling, general and administrative expenses on its condensed consolidated statements of operations and comprehensive loss. The Company expenses incremental costs of obtaining a contract as incurred if the expected amortization period of the asset would be less than one year. If the Company were to incur incremental costs with an amortization period greater than a year, such costs would be capitalized as contract assets, as they are expected to be recovered, and would be expensed by amortizing on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The Company did not have any contract assets (unbilled receivables) at March 31, 2024, as customer invoicing generally occurs before or at the time of revenue recognition. The Company did not have any contract liabilities at March 31, 2024, as the Company did not receive any payments in advance of satisfying its performance obligations to its customers. Amounts billed or invoiced that are considered trade accounts receivable are included in prepaid expenses and other current assets on the condensed consolidated balance sheets.

As of March 31, 2024 and December 31, 2023, the Company had not provided any allowance for bad debts against the trade accounts receivable, and the amount of trade accounts receivable was not significant.

The Company records reserves, based on contractual terms, for the following components of variable consideration related to product sold during the reporting period, as well as its estimate of product that remains in the distribution channel inventory of its customers at the end of the reporting period. On a quarterly basis, the Company updates its estimates, if necessary, and records any material adjustments in the period they are identified.

Chargebacks: The Company estimates chargebacks from its customers who directly purchase the product from the Company for discounts resulting from contractual commitments to sell products to eligible healthcare settings at prices lower than the list prices charged to its customers. Customers charge the Company for the difference between what they pay to the Company for the product and the selling price to the eligible healthcare settings. Reserves for chargebacks consist of credits that the Company expects to issue for units that remain in the distribution channel inventories at the end of each reporting period that the Company expects will be sold to eligible healthcare settings, and chargebacks that customers have claimed, but for which the Company has not yet issued a credit.

Government Rebates: The Company is subject to discount obligations under government programs, including Medicaid. The Company records reserves for rebates in the same period the related product revenue is recognized, resulting in a reduction of ZULRESSO product revenue and a current liability that is included in accrued expenses on its condensed consolidated balance sheets. The Company's liability for these rebates consists of invoices received for claims from prior quarters that have not been paid or for which an invoice has not yet been received, estimates of claims for the current quarter, and estimates of future claims that will be made for product that has been recognized as revenue, but which remains in the distribution channel at the end of each reporting period.

Trade Discounts and Allowances: The Company generally provides customary invoice discounts on ZULRESSO sales to its customers for prompt payment and the Company pays fees for sales order management, data, and distribution services. The Company estimates its customers will earn these discounts and fees and deducts these discounts and fees in full from gross ZULRESSO revenue and accounts receivable at the time the Company recognizes the related revenue.

Financial Assistance: The Company provides voluntary financial assistance programs to patients with commercial insurance that have coverage and reside in states that allow financial assistance. The Company estimates the financial assistance amounts for ZULRESSO and records any such amounts within accrued expenses on its condensed consolidated balance sheets. The calculation of the accrual for financial assistance is based on an estimate of claims and the cost per claim that the Company expects to receive using demographics for patients who have registered and been approved for assistance. Any adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability, which is included as a component of accrued expenses on the condensed consolidated balance sheets.

Product Returns: Consistent with industry practice, the Company offers product return rights to customers for damaged, defective or expiring product, provided it is within a specified period around the product expiration date as set forth in the Company's return goods policy. The Company estimates the amount of its product sales that may be returned by its customers and records this estimate as a reduction of revenue in the period the related product revenue is recognized, as well as a reserve within accrued expenses on the condensed consolidated balance sheets. Product returns have not been significant to date and are not expected to be significant in the future.

License, Milestone, and Collaboration Revenue

In assessing whether a promised good or service is distinct in the evaluation of a collaboration or license arrangement subject to Topic 606, the Company considers factors such as the research, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. The Company also considers the intended benefit of the contract in assessing whether a promised good or service is separately identifiable from other promises in the contract. If a promised good or service is not distinct, the Company is required to combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct.

The transaction price is then determined and allocated to the identified performance obligations in proportion to their standalone selling prices ("SSP") on a relative SSP basis. SSP is determined at contract inception and is not updated to reflect changes between contract inception and when the performance obligations are satisfied. Determining the SSP for performance obligations requires significant judgment. In developing the SSP for a performance obligation, the Company considers applicable market conditions and relevant entity-specific factors, including factors that were contemplated in negotiating the agreement with the customer and estimated costs. In certain circumstances, the Company may apply the residual method to determine the SSP of a good or service if the SSP is considered highly variable or uncertain. The Company validates the SSP for performance obligations by evaluating whether changes in the key assumptions used to determine the SSP will have a significant effect on the allocation of arrangement consideration between multiple performance obligations.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The Company determines the amount of variable consideration by using the expected value method or the most likely amount

method. The Company includes the unconstrained amount of estimated variable consideration in the transaction price. The amount included in the transaction price is constrained to the amount for which it is probable that a significant reversal of cumulative revenue recognized will not occur. At the end of each subsequent reporting period, the Company re-evaluates the estimated variable consideration included in the transaction price and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis in the period of adjustment.

If an arrangement includes development and regulatory milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the Company's control or the licensee's control, such as regulatory approvals, are generally not considered probable of being achieved until those approvals are received.

In determining the transaction price, the Company adjusts consideration for the effects of the time value of money if the timing of payments provides the Company with a significant benefit of financing. The Company does not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the licensees and the transfer of the promised goods or services to the licensees will be one year or less. The Company assessed its arrangements with Shionogi & Co., Ltd. ("Shionogi") and Biogen and concluded that a significant financing component does not exist for either arrangement. For arrangements with licenses of intellectual property that include sales-based royalties or milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties or milestone payments relate, the Company recognizes royalty revenue and sales-based milestones at the later of (i) when the related sales occur, or (ii) when the performance obligation to which the royalty or milestone payment has been allocated has been satisfied.

The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) each performance obligation is satisfied at a point in time or over time, and if over time this is based on the use of an output or input method. Revenue from the Company's collaboration agreement with Shionogi has come from initial, upfront consideration upon execution of the agreement and for the supply of drug product for Shionogi's clinical trials. Revenue from the Company's collaboration agreement with Biogen has come from initial, upfront consideration related to the execution of the Biogen Collaboration Agreement, milestone payments and the Company's share of ZURZUVAE revenues under the elements of the arrangement accounted for under ASC Topic 808. For additional information, see the Collaborative Arrangements section below and refer to Note 7, *Collaboration Agreements*.

Collaborative Arrangements

The Company analyzes its collaboration arrangements to assess whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities and therefore within the scope of ASC Topic 808, *Collaborative Arrangements* ("Topic 808"). This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of Topic 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of Topic 808 and which elements of the collaboration are more reflective of a vendor-customer relationship and therefore within the scope of Topic 606. For elements of collaboration arrangements that are accounted for pursuant to Topic 808, an appropriate recognition method is determined and applied consistently, either by analogy to authoritative accounting literature or by applying a reasonable and rational policy election. For those elements of the arrangement that are accounted for pursuant to Topic 606, the Company applies the five-step model described above, and presents the arrangement as license and milestone revenue or other collaboration revenue in the condensed consolidated statements of operations and comprehensive loss.

For collaboration arrangements that are within the scope of Topic 808, the Company evaluates the income statement classification for presentation of amounts due from or owed to other participants associated with multiple activities in a collaboration arrangement based on the nature of each separate activity. Payments or reimbursements that are the result of a collaborative relationship instead of a vendor-customer relationship are recorded as an increase to collaboration revenue, an increase to or reduction of cost of revenues, research and development expense, or selling, general and administrative expense, depending on the nature of the activity. For additional information relating to the accounting for the co-commercialization of ZURZUVAE in the U.S. with Biogen under Topic 808, refer to Note 7, *Collaboration Agreements*.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 — Quoted market prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's cash equivalents and marketable securities at March 31, 2024 and December 31, 2023 were carried at fair value, determined according to the fair value hierarchy; see Note 3, *Fair Value Measurements*.

The carrying amounts reflected in the condensed consolidated balance sheets for the collaboration receivable – related party, accounts payable and accrued expenses approximate their fair values due to their short-term maturities at March 31, 2024 and December 31, 2023, respectively.

Recently Issued Accounting Pronouncements

Accounting standards that have been issued or proposed by the Financial Accounting Standards Board or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's condensed consolidated financial statements upon adoption.

3. Fair Value Measurements

The Company's cash equivalents are classified within Level 1 and Level 2 of the fair value hierarchy. The Company's investments in marketable securities are classified within Level 2 of the fair value hierarchy.

The fair values of the Company's marketable securities are based on prices obtained from independent pricing sources. Consistent with the fair value hierarchy described in Note 2, *Summary of Significant Accounting Policies*, marketable securities with validated quotes from pricing services are reflected within Level 2, as they are primarily based on observable pricing for similar assets or other market observable inputs. Typical inputs used by these pricing services include, but are not limited to, reported trades, benchmark yields, issuer spreads, bids, offers or estimates of cash flow, prepayment spreads and default rates. The Company performs validation procedures to ensure the reasonableness of this data. The Company performs its own review of prices received from the independent pricing services by comparing these prices to other sources. After completing the validation procedures, the Company did not adjust or override any fair value measurements provided by the pricing services as of March 31, 2024 and December 31, 2023.

The following tables summarize the Company's cash equivalents and marketable securities as of March 31, 2024 and December 31, 2023:

	March 31, 2024			
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Cash equivalents:				
Money market funds	$ 159,464	$ 159,464	$ —	$ —
U.S. government securities	4,983	—	4,983	—
U.S. corporate bonds	1,993	—	1,993	—
International corporate bonds	4,962	—	4,962	—
Total cash equivalents	171,402	159,464	11,938	—
Marketable securities:				
U.S. government securities	136,725	—	136,725	—
U.S. corporate bonds	181,949	—	181,949	—
International corporate bonds	83,861	—	83,861	—
U.S. commercial paper	30,357	—	30,357	—
International commercial paper	45,059	—	45,059	—
U.S. certificates of deposit	1,303	—	1,303	—
U.S. municipal securities	65,106	—	65,106	—
Total marketable securities	544,360	—	544,360	—
	$ 715,762	$ 159,464	$ 556,298	$ —

	December 31, 2023			
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Cash equivalents:				
Money market funds	$ 59,852	$ 59,852	$ —	$ —
U.S. government securities	8,695	—	8,695	—
Total cash equivalents	68,547	59,852	8,695	—
Marketable securities:				
U.S. government securities	166,925	—	166,925	—
U.S. corporate bonds	210,198	—	210,198	—
International corporate bonds	97,675	—	97,675	—
U.S. commercial paper	23,370	—	23,370	—
International commercial paper	46,900	—	46,900	—
U.S. certificates of deposit	8,830	—	8,830	—
U.S. municipal securities	128,294	—	128,294	—
Total marketable securities	682,192	—	682,192	—
	$ 750,739	$ 59,852	$ 690,887	$ —

During the three months ended March 31, 2024 and 2023, there were no transfers among the Level 1, Level 2 and Level 3 categories.

4. Investments

The following tables summarize the fair value and amortized cost of the Company's available-for-sale securities by major security type including gross unrealized gains and losses and credit losses as of March 31, 2024 and December 31, 2023:

	March 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Credit Losses	Fair Value
			(in thousands)		
Assets:					
U.S. government securities	$ 136,948	$ 16	$ (239)	$ —	$ 136,725
U.S. corporate bonds	182,247	42	(340)	—	181,949
International corporate bonds	83,974	23	(136)	—	83,861
U.S. commercial paper	30,349	9	(1)	—	30,357
International commercial paper	45,064	2	(7)	—	45,059
U.S. certificates of deposit	1,303	—	—	—	1,303
U.S. municipal securities	65,262	—	(156)	—	65,106
	$ 545,147	$ 92	$ (879)	$ —	$ 544,360

	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Credit Losses	Fair Value
			(in thousands)		
Assets:					
U.S. government securities	$ 167,165	$ 107	$ (347)	$ —	$ 166,925
U.S. corporate bonds	210,491	191	(484)	—	210,198
International corporate bonds	97,698	99	(122)	—	97,675
U.S. commercial paper	23,360	11	(1)	—	23,370
International commercial paper	46,935	3	(38)	—	46,900
U.S. certificates of deposit	8,830	—	—	—	8,830
U.S. municipal securities	128,527	26	(259)	—	128,294
	$ 683,006	$ 437	$ (1,251)	$ —	$ 682,192

As of March 31, 2024 and December 31, 2023, the Company had $3.6 million and $4.2 million, respectively, of accrued interest receivable relating to the Company's available-for-sale securities which is included within prepaid expenses and other current assets in the accompanying condensed consolidated balance sheets.

No accrued interest receivable was written off during the three months ended March 31, 2024 and 2023. Realized gains or losses were immaterial for the three months ended March 31, 2024 and 2023.

The following tables summarize the fair value and the unrealized losses of the Company's marketable securities that have been in a loss position for either less than twelve months or greater than twelve months as of March 31, 2024 and December 31, 2023:

	March 31, 2024					
	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
U.S. government securities	$ 100,615	$ (141)	$ 21,462	$ (98)	$ 122,077	$ (239)
U.S. corporate bonds	115,218	(283)	15,430	(57)	130,648	(340)
International corporate bonds	42,335	(114)	5,718	(22)	48,053	(136)
U.S. commercial paper	4,914	(1)	—	—	4,914	(1)
International commercial paper	18,766	(7)	—	—	18,766	(7)
U.S. municipal securities	50,157	(104)	14,948	(52)	65,105	(156)
	$ 332,005	$ (650)	$ 57,558	$ (229)	$ 389,563	$ (879)

	December 31, 2023					
	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
U.S. government securities	$ 52,521	$ (96)	$ 41,911	$ (251)	$ 94,432	$ (347)
U.S. corporate bonds	111,901	(246)	43,851	(238)	155,752	(484)
International corporate bonds	43,708	(87)	6,014	(35)	49,722	(122)
U.S. commercial paper	7,848	(1)	—	—	7,848	(1)
International commercial paper	37,300	(38)	—	—	37,300	(38)
U.S. municipal securities	90,095	(143)	31,345	(116)	121,440	(259)
	$ 343,373	$ (611)	$ 123,121	$ (640)	$ 466,494	$ (1,251)

As of March 31, 2024 and December 31, 2023, the unrealized losses on the Company's investments in U.S. government securities, U.S. corporate bonds, and international corporate bonds were caused by interest rate increases. The Company purchased those investments at a premium relative to their face amount. The current credit ratings are all within the guidelines of the investment policy of the Company and the Company does not expect the issuers to settle any security at a price less than the amortized cost basis of the investment. As of March 31, 2024, the Company does not intend to sell those investments and it is not probable that the Company will be required to sell the investments before recovery of their amortized cost basis.

As of March 31, 2024, all marketable securities held by the Company had remaining contractual maturities of one year or less, except for U.S. government securities, U.S. corporate bonds, international corporate bonds and municipal securities with a fair value of $46.3 million and maturities of one to two years.

As of December 31, 2023, all marketable securities held by the Company had remaining contractual maturities of one year or less, except for U.S. government securities, U.S. corporate bonds, international corporate bonds and municipal securities with a fair value of $110.3 million and maturities of one to two years.

All marketable securities, including those with remaining contractual maturities of more than one year, are classified as current assets on the balance sheet because they are considered to be "available-for-sale" and the Company can convert them into cash to fund current operations.

There have been no impairments of the Company's assets measured and carried at fair value during the three months ended March 31, 2024 and the year ended December 31, 2023.

5. Accrued Expenses

The following table summarizes accrued expenses as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
	(in thousands)	
Accrued research and development costs	$ 30,627	$ 26,040
Restructuring	2,568	10,589
Employee-related	7,092	21,339
Professional services	11,178	8,589
Other	549	707
	$ 52,014	$ 67,264

6. Commitments and Contingencies

Operating Leases

The Company leases office space and certain equipment. All of the leases recorded on the condensed consolidated balance sheets are operating leases. The Company's active leases have remaining lease terms of up to one year. Some of the leases include options to extend the leases for up to five years. These options were not included for the purpose of determining the right-of-use assets and associated lease liabilities as the Company determined that the renewal of these leases is not reasonably certain so only the original lease term was taken into consideration. The leases do not include any restrictions or covenants that had to be accounted for under the lease guidance.

The Company leases office space in two multi-tenant buildings in Cambridge, Massachusetts, consisting of 63,017 square feet in the first building, the Company's current headquarters at 215 First Street, Cambridge, Massachusetts, under an operating lease that will expire on August 31, 2024 (the "First Building Lease") and 40,419 square feet in the second building, at 245 First Street, Cambridge, Massachusetts, under an operating lease that will expire on August 31, 2024 (the "Second Building Lease"); and in a multi-tenant building in Raleigh, North Carolina, consisting of 15,525 square feet under an operating lease that will expire on November 30, 2024.

In January 2024, the Company entered into a lease agreement (the "New Lease") with 55 Cambridge Parkway, LLC, a Delaware limited liability company (the "Landlord"), pursuant to which the Company will lease approximately 30,567 square feet of office space located at 55 Cambridge Parkway, Cambridge, Massachusetts (the "New Premises"). The Company intends to relocate its corporate headquarters to the New Premises upon the expiration on August 31, 2024 of the First Building Lease and the Second Building Lease, each in accordance with its terms. The term of the New Lease will commence on the later of (1) September 1, 2024, or (2) the date on which improvements to the New Premises are, or are deemed to be, substantially completed (the "Commencement Date"). The Company's obligation for the payment of rent for the New Premises begins six months after the Commencement Date (the "Rent Commencement Date"). As of March 31, 2024, a lease commencement date in accordance with ASC 842, *Leases*, had not occurred, as such no right-of-use asset or lease liability has been recorded. The New Lease has an initial term of approximately sixty-six months, measured from the Commencement Date (the "New Lease Term"). The monthly base rent due under the New Lease shall initially be $224,158 per month for the first year following the Rent Commencement Date and is scheduled to increase by approximately 3% per annum for each subsequent year of the New Lease Term. The Company has the option to extend the New Lease one time for an additional five-year period, subject to the terms therein. The Lease also provides for a construction allowance (the "Allowance") not to exceed approximately $3.4 million to be applied to the construction costs of the New Premises. The Allowance must be used on or before the one-year anniversary of the Commencement Date or will be deemed forfeited with no further obligation by the Landlord.

In connection with its entry into the New Lease, and as a security deposit, the Company has provided the Landlord a letter of credit in the amount of approximately $1.4 million during three months ended March 31, 2024, which the Company and the Landlord have agreed may be reduced to approximately $1.2 million following the third anniversary

of the Rent Commencement Date, provided that no event of default by the Company has occurred. The Landlord has the right to terminate the New Lease upon customary events of default.

License Agreements

CyDex License Agreement

In September 2015, the Company amended and restated its existing commercial license agreement with CyDex Pharmaceuticals, Inc. ("CyDex"), a wholly owned subsidiary of Ligand Pharmaceuticals Incorporated. Under the terms of the commercial license agreement as amended and restated, CyDex has granted to the Company an exclusive license to CyDex's Captisol drug formulation technology and related intellectual property for the manufacture of pharmaceutical products incorporating brexanolone and the Company's compound known as SAGE-689, and the development and commercialization of the resulting products for the treatment, prevention or diagnosis of any disease or symptom in humans or animals other than (i) the ocular treatment of any disease or condition with a formulation, including a hormone; (ii) topical ocular treatment of inflammatory conditions; (iii) treatment and prophylaxis of fungal infections in humans; and (iv) any ocular treatment for retinal degeneration. The Company is required to pay a royalty to CyDex on sales of brexanolone and will be required to pay a royalty on any sales of SAGE-689, if such product candidate is successfully developed in the future. Royalty rates are in the low single digits based on levels of net sales. From the effective date of the agreement to March 31, 2024, the Company has paid to CyDex $1.0 million for licensing fees, which was recorded as research and development expense.

Under the amended and restated license agreement with CyDex, the Company agreed to make milestone payments on the achievement of clinical development and regulatory milestones in the amount of up to $0.8 million in clinical milestones and up to $3.8 million in regulatory milestones for each of the first two fields with respect to brexanolone; up to $1.3 million in clinical milestones and up to $8.5 million in regulatory milestones for each of the third and fourth fields with respect to brexanolone; and up to $0.8 million in clinical milestones and up to $1.8 million in regulatory milestones for one field with respect to SAGE-689. From the effective date of the agreement to March 31, 2024, the Company has recorded research and development expense and made cash payments of $3.6 million related to these clinical development and regulatory milestones and has recorded an intangible asset and made a cash payment of $3.0 million related to these regulatory milestones.

For the three months ended March 31, 2024 and 2023, the Company did not record any expense or intangible asset, or make any milestone payments related to clinical development or regulatory milestones for the brexanolone program or SAGE-689 under the license agreement with CyDex.

University of California License Agreements

In October 2013, the Company entered into a non-exclusive license agreement with the Regents of the University of California ("the Regents") under which the Company was granted a non-exclusive license to certain clinical data and clinical material related to brexanolone for use in the development and commercialization of biopharmaceutical products in the licensed field, including status epilepticus and postpartum depression. In May 2014, the license agreement was amended to add the treatment of essential tremor to the licensed field of use, materials and milestone fee provisions of the agreement. The Company paid to the Regents clinical development milestones of $0.1 million, prior to December 31, 2015; no other milestones are outstanding under this non-exclusive license agreement. The Company is required to pay royalties of less than 1% on net sales for a period of fifteen years following the sale of the first product developed using the data and materials, and the Company began to pay these royalties in 2019. The license will terminate on the earlier to occur of (i) 27 years after the effective date or (ii) 15 years after the last-derived product is first commercially sold.

In June 2015, the Company entered into an exclusive license agreement with the Regents whereby the Company was granted an exclusive license to certain patent rights related to the use of allopregnanolone to treat various diseases. In exchange for such license, the Company paid an upfront payment of $50,000 and was required to make payments of $15,000 for annual maintenance fees until the calendar year following the first sale of ZULRESSO. The Company is obligated to make milestone payments following the achievement of specified regulatory and sales milestones of up to $0.7 million and $2.0 million in the aggregate, respectively. The Company pays royalties at a low single digit percentage

of net sales of ZULRESSO, subject to specified minimum annual royalty amounts. Unless terminated by operation of law or by acts of the parties under the terms of the agreement, the license agreement will terminate when the last-to-expire patents or last-to-be abandoned patent applications expire, whichever is later. From the effective date of the agreement to March 31, 2024, the Company has recorded research and development expense and made cash payments of $0.3 million related to these regulatory and sales milestones; and has recorded an intangible asset and made a cash payment of $0.5 million related to these regulatory and sales milestones.

For the three months ended March 31, 2024 and 2023, the Company did not record any expense or make any milestone payments under the license agreements with the Regents.

7. Collaboration Agreements

Shionogi

In June 2018, the Company entered into a strategic collaboration with Shionogi for the clinical development and commercialization of zuranolone for the treatment of MDD and other potential indications in Japan, Taiwan and South Korea (the "Shionogi Territory"). In October 2018, the Company entered into a supply agreement with Shionogi for the Company to supply zuranolone clinical material to Shionogi.

Under the terms of the collaboration agreement, Shionogi is responsible for all clinical development and regulatory filings for zuranolone in MDD and other indications in the Shionogi Territory and would be responsible for commercialization of zuranolone in the Shionogi Territory, if zuranolone is successfully developed and obtains marketing approval in any of the countries within the Shionogi Territory. Shionogi was required to make an upfront payment to the Company of $90.0 million, and the Company will be eligible to receive additional payments of up to $485.0 million if certain regulatory and commercial milestones are achieved by Shionogi. The potential future milestone payments include up to $70.0 million for the achievement of specified regulatory milestones, up to $30.0 million for the achievement of specified commercialization milestones, and up to $385.0 million for the achievement of specified net sales milestones. The Company is eligible to receive tiered royalties on sales of zuranolone in the Shionogi Territory, if development efforts are successful, with tiers averaging in the low to mid-twenty percent range, subject to other terms of the agreement. Shionogi has also granted to the Company certain rights to co-promote zuranolone in Japan. As between the Company and Shionogi, the Company maintains exclusive rights to develop and commercialize zuranolone outside of the Shionogi Territory. The upfront cash payment and any payments for milestones and royalties are non-refundable and non-creditable. Due to the uncertainty of pharmaceutical development and the high historical failure rates generally associated with drug development, the Company may not receive any milestone payments or any royalty payments from Shionogi.

The Company concluded that Shionogi meets the definition of a customer because the Company is delivering intellectual property and know-how rights for the zuranolone program in support of territories in which the parties are not jointly sharing the risks and rewards. In addition, the Company determined that the Shionogi collaboration met the requirements to be accounted for as a contract, including that it is probable that the Company will collect the consideration to which the Company is entitled in exchange for the goods or services that will be delivered to Shionogi.

The Company determined that the performance obligations in the Shionogi collaboration agreement included the license to zuranolone and the supply of certain materials during the clinical development phase, which includes the supply of active pharmaceutical ingredient ("API"). The performance obligation related to the license to zuranolone was determined to be distinct from other performance obligations and therefore was a separate performance obligation for which control was transferred upon signing. The obligation to provide certain clinical materials, including API for use during the development period, was determined to be a separate performance obligation. Given that Shionogi is not obligated to purchase any minimum amount or quantities of commercial API, the supply of API to Shionogi for commercial use was determined to be an option for Shionogi, rather than a performance obligation of the Company at contract inception and will be accounted for if and when exercised. The Company also determined that there was no separate material right in connection with the supply of API for commercial use as the expected pricing was not at a discount. Given this fact pattern, the Company has concluded the agreement has two performance obligations.

Under the clinical supply agreement, the Company is obligated to manufacture and supply to Shionogi (i) clinical quantities of API reasonably required by Shionogi for the development of licensed products in the Shionogi territory under the collaboration and license agreement and (ii) quantities of drug product reasonably required for use by Shionogi in Phase 1 clinical trials of zuranolone in the Shionogi territory under the collaboration and license agreement, in the quantities agreed to by the parties. Collaboration revenue from the clinical supply agreement, which excludes the $90.0 million upfront payment, pertains to the clinical material sold under the terms of the clinical supply agreement. The Company records the costs related to the clinical supply agreement in research and development expense on its condensed consolidated statements of operations and comprehensive loss. For the three months ended March 31, 2024 and 2023 the Company recognized no collaboration revenue from the Company's agreement with Shionogi.

The Company completed the evaluation of the standalone selling prices of each of the performance obligations and determined that the standalone selling price of the license performance obligation was $90.0 million. The Company recognized the transaction price allocated to the license performance obligation of $90.0 million as revenue during the quarter upon delivery of the license to Shionogi and resulting ability of Shionogi to use and benefit from the license, which was in the three months ended June 30, 2018. The remaining transaction price related to the performance obligation for the supply of certain clinical material is not significant. The potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained based on the probability of achievement. The Company will re-evaluate the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and, if necessary, adjust its estimate of the transaction price.

Biogen

In November 2020, the Company entered into the Biogen Collaboration Agreement to jointly develop and commercialize SAGE-217 products for the treatment of MDD, PPD and other disorders and SAGE-324 products for essential tremor and other disorders. Concurrently, the Company also entered into a stock purchase agreement with BIMA (the "Biogen Stock Purchase Agreement") under which BIMA purchased shares of the Company's common stock. The Biogen Collaboration Agreement became effective on December 28, 2020 (the "Effective Date").

Under the terms of the Biogen Collaboration Agreement, the Company granted Biogen co-exclusive licenses to develop and commercialize SAGE-217 products and SAGE-324 products (each, a "Product Class" and together, the "Licensed Products") in the U.S., an exclusive license to develop and commercialize SAGE-217 products in all countries of the world other than the U.S. and the Shionogi Territory, and an exclusive license to develop and commercialize SAGE-324 products in all countries of the world other than the U.S. The Company refers to the territories outside the U.S. to which Biogen has rights under the Biogen Collaboration Agreement with respect to the applicable Licensed Product as the "Biogen Territory".

In connection with the effectiveness of the Biogen Collaboration Agreement and the closing of the sale of shares to BIMA in December 2020, the Company received $1.5 billion in consideration, comprised of an upfront payment of $875.0 million and the $650.0 million purchase price for 6,241,473 newly issued shares of the Company's common stock (the "Biogen Shares"). As a result of the purchase of the Biogen Shares, Biogen is a related party of the Company.

The Company is eligible to receive additional payments of up to $1.6 billion from Biogen if certain regulatory and commercial milestones are achieved. The potential future milestone payments for SAGE-217 products include up to $475.0 million for the achievement of specified regulatory and commercial milestones, including a milestone payment of $75.0 million for the first commercial sale of ZURZUVAE for the treatment of women with PPD in the U.S. which was achieved in the fourth quarter of 2023 and, if approved, a milestone payment of $150.0 million for the first commercial sale of ZURZUVAE for the treatment of MDD in the U.S., and up to $300.0 million for the achievement of specified net sales milestones. The potential future milestone payments for SAGE-324 products include up to $520.0 million for the achievement of specified regulatory and commercial milestones and up to $300.0 million for the achievement of specified net sales milestones. The Company is also eligible to receive tiered royalties on net sales of SAGE-217 products and SAGE-324 products in the Biogen Territory at percentage rates ranging from the high teens to low twenties.

Due to the uncertainty of pharmaceutical development and the high historical failure rates generally associated with drug development, and the challenges of launching and commercializing a product, if approved, the Company may never receive any additional milestone payments or any royalty payments under the Biogen Collaboration Agreement.

Development and commercialization activities in the U.S. are conducted pursuant to plans agreed to by the Company and Biogen and overseen by a joint steering committee that consists at all times of an equal number of representatives of each party. The Company and Biogen share equally in the costs for development and commercialization, as well as the profits and losses upon FDA approval and commencement of product sales, in the U.S., subject to the Company's opt-out right described below. Biogen is solely responsible for all development activities and costs related to any development and commercialization of SAGE-217 products and SAGE-324 products for the Biogen Territory, and the Company will receive royalties on any sales in the Biogen Territory, as mentioned above. Biogen is the principal and records sales of SAGE-217 products globally. If approved, the Company will be the principal and record sales of SAGE-324 products in the U.S. and Biogen will be the principal and record sales of SAGE-324 products in the Biogen Territory.

The Company is obligated to supply API and bulk drug product for the Biogen Territory and API, bulk drug product and final drug product for the U.S. to support development and commercialization activities. Biogen has the right to assume manufacturing responsibilities for API for the Biogen Territory at any time during the term of the agreement and will, within a reasonable period of time after the Effective Date, assume manufacturing responsibility for bulk drug product for the Biogen Territory.

Unless terminated earlier, the Biogen Collaboration Agreement will continue on a Licensed Product-by-Licensed Product and country-by-country basis until the date on which (a) in any country in the Biogen Territory, the royalty term has expired for all Licensed Products in a Product Class in such country, and (b) for the U.S., the parties agree to permanently cease to commercialize all Licensed Products in a Product Class. Biogen also has the right to terminate the Biogen Collaboration Agreement for convenience in its entirety, on a Product Class-by-Product Class basis or as to a particular region, upon advance written notice. The Company has an opt-out right to convert the co-exclusive licenses in the U.S. to an exclusive license to Biogen on a Product Class-by-Product Class basis. Following the exercise of the opt-out right, the Company would no longer share equally in the profits and losses in the U.S. and would be entitled to receive certain royalty payments at percentage rates ranging from the high teens to low twenties and additional sales milestones.

The Company concluded that the Biogen Collaboration Agreement and the Biogen Stock Purchase Agreement should be combined and treated as a single arrangement for accounting purposes as the agreements were entered into contemporaneously and in contemplation of one another. The Company determined that the combined agreements had elements that were within the scope of Topic 606 and Topic 808.

As of the Effective Date, the Company identified the following promises in the Biogen Collaboration Agreement that were evaluated under the scope of Topic 606: delivery of (i) a co-exclusive license for SAGE-217 products in the U.S.; (ii) an exclusive license for SAGE-217 products in the Biogen Territory; (iii) a co-exclusive license for SAGE-324 products in the U.S.; (iv) an exclusive license for SAGE-324 products in the Biogen Territory; (v) the clinical manufacturing supply of API and bulk drug product for SAGE-217 products in the Biogen Territory; and (vi) the clinical manufacturing supply of API and bulk drug product for SAGE-324 products in the Biogen Territory.

The Company also evaluated whether certain options outlined within the Biogen Collaboration Agreement represented material rights that would give rise to a performance obligation and concluded that none of the options convey a material right to Biogen and therefore are not considered separate performance obligations within the Biogen Collaboration Agreement.

The Company assessed the above promises and determined that the co-exclusive licenses for SAGE-217 products and SAGE-324 products in the U.S. are reflective of a vendor-customer relationship and therefore represent performance obligations within the scope of Topic 606. The co-exclusive license for SAGE-217 products and SAGE-324 products in the U.S. are considered functional intellectual property and distinct from other promises under the contract. The exclusive licenses for SAGE-217 products and SAGE-324 products in the Biogen Territory are considered functional licenses that are distinct in the context of the Biogen Collaboration Agreement as Biogen can benefit from the licenses on its own or

together with other readily available resources. As the co-exclusive licenses in the U.S. and the exclusive licenses in the Biogen Territory are delivered at the same time, they are considered one performance obligation at contract inception. The clinical manufacturing supply of API and bulk drug product for SAGE-217 products and SAGE-324 products for the Biogen Territory are considered distinct in the context of the Biogen Collaboration Agreement as Biogen can benefit from the manufacturing services together with the licenses transferred by the Company at the inception of the agreement. Therefore, each represents a separate performance obligation within a contract with a customer under the scope of Topic 606 at contract inception.

The Company determined the transaction price under Topic 606 at the inception of the Biogen Collaboration Agreement to be $1.1 billion, consisting of the upfront payment of $875.0 million plus $232.5 million in excess proceeds from the equity investment under the Biogen Stock Purchase Agreement, when measured at fair value, plus future variable consideration for manufacturing supply of clinical API and bulk drug product for the Biogen Territory. The amount of variable consideration related to the future manufacturing services was not material. At inception, the Company determined that any variable consideration related to clinical development and regulatory or commercial milestones is deemed to be fully constrained and therefore excluded from the transaction price due to the high degree of uncertainty and risk associated with these potential payments, as the Company determined that it could not assert that it was probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company also determined that royalties and sales milestones relate solely to the licenses of intellectual property and are therefore excluded from the transaction price under the sales- or usage-based royalty exception of Topic 606. Revenue related to these royalties and sales milestones will only be recognized when the associated sales occur, and relevant thresholds are met. As such, the entirety of the $1.1 billion transaction price was allocated to the transfer of the co-exclusive licenses for SAGE-217 products and SAGE-324 products in the U.S. and the exclusive licenses for SAGE-217 products and SAGE-324 products in the Biogen Territory and was recognized as license revenue during the year ended December 31, 2020.

In the fourth quarter of 2023 the Company achieved a milestone for the first commercial sale of ZURZUVAE for the treatment of women with PPD in the U.S. and recognized license and milestone revenue – related party of $75.0 million during the year ended December 31, 2023. Payment of the $75.0 million milestone was received during January 2024. During the three months ended March 31, 2024 and 2023, no license and milestone revenue – related party was recognized related to the Biogen Collaboration Agreement.

The Company considers the collaborative activities associated with the co-development, co-commercialization, and co-manufacturing of SAGE-217 products and SAGE-324 products in the U.S. to be separate units of account within the scope of Topic 808 as the Company and Biogen are both active participants in the development and commercialization activities and are exposed to significant risks and rewards that are dependent on the development and commercial success of the activities in the arrangement.

While Biogen is considered the principal in transactions with customers for the sale of ZURZUVAE globally, the Company is also engaged in significant commercialization activities, including maintaining its own U.S. direct sales force. The Company presents its proportionate share of Biogen's ZURZUVAE sales to customers in the U.S. as collaboration revenue - related party. Payments to or reimbursements from Biogen related to the agreement of the parties to share equally in all revenue and costs are accounted for as an increase to collaboration revenue, an increase to or reduction of cost of revenues, research and development expenses, or selling, general and administrative expenses, in the condensed consolidated statement of operations and comprehensive loss, depending on the nature of the activity.

To record its proportionate share of collaboration revenue from Biogen's sales of ZURZUVAE to customers in the U.S., the Company utilizes certain information from Biogen, including revenue from the sale of the product and associated reserves on revenue.

The following table summarizes the Company's proportionate share of the activity under the Biogen Collaboration Agreement accounted for under Topic 808, including activities associated with the sale of ZURZUVAE in

the U.S., as well as ongoing costs related to the development of SAGE-217 products and SAGE-324 products, as reflected in our condensed consolidated statement of operations and comprehensive loss:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Collaboration revenue - related party	$ 6,212	$ —
Cost of revenues	1,201	—
Research and development expenses	7,031	22,171
Selling, general and administrative expenses	12,983	18,963

The revenue, cost and expense categories in the table above reflects the following reimbursement amounts to (from) Biogen to account for the sharing of economics under the Biogen Collaboration Agreement:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Collaboration revenue - related party	$ (6,212)	$ —
Cost of revenues	(562)	—
Research and development expenses	(5,657)	(17,282)
Selling, general and administrative expenses	2,306	3,034

As of March 31, 2024, the Company recorded a collaboration receivable - related party of $10.5 million all related to net reimbursement for the amounts due for the three months ended March 31, 2024. As of December 31, 2023, the Company recorded a collaboration receivable – related party of $83.0 million, consisting of $8.0 million of net reimbursement for amounts due for the three months ended December 31, 2023 and the $75.0 million milestone achieved. During the three months ended March 31, 2024, no payments were made to Biogen and the Company received $82.6 million from Biogen for the amounts due for the three months ended December 31, 2023. During the three months ended March 31, 2023, no payments were made to Biogen and the Company received $12.9 million from Biogen for the amounts due for the three months ended December 31, 2022.

Accounting for the Biogen Stock Purchase Agreement

In connection with the execution of the Biogen Collaboration Agreement, the Company and BIMA entered into the Biogen Stock Purchase Agreement. Pursuant to the Biogen Stock Purchase Agreement, the Company sold the Biogen Shares to BIMA at a price of approximately $104.14 per share for aggregate consideration of $650.0 million. The sale of the shares to BIMA closed on December 31, 2020.

The Biogen Stock Purchase Agreement includes certain standstill provisions that terminate on the earliest of (i) a specified regulatory milestone under the Biogen Collaboration Agreement, (ii) the date one year following the termination of the Biogen Collaboration Agreement and (iii) the seventh anniversary of the Effective Date.

The Company determined the fair value of the common shares was determined to be $417.5 million, which was $232.5 million less than the proceeds received from BIMA for the issuance of the Company's common stock under the Biogen Stock Purchase Agreement. As such, the $232.5 million in excess proceeds has been included in the $1.1 billion transaction price of the Biogen Collaboration Agreement determined above.

8. Common Stock

As of March 31, 2024 and December 31, 2023, the Company had 120,000,000 authorized shares of common stock, par value $0.0001 per share.

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the Board of Directors of the Company (the "Board"), if any. As of March 31, 2024 and December 31, 2023, no dividends have been declared.

As of March 31, 2024, the Company had received 3,033 shares of the Company's common stock from a then-employee as consideration for exercises of stock options. The total cost of shares held in treasury at March 31, 2024 was $0.4 million.

Sales Agreement

On November 7, 2023, the Company entered into a Sales Agreement (the "Sales Agreement") with Cowen and Company, LLC, as sales agent ("Cowen"), with respect to an "at the market offering" program pursuant to which the Company may offer and sell shares of its common stock having an aggregate offering price of up to $250.0 million (the "Shares"), from time to time through Cowen (the "ATM Offering").

Upon delivery of a placement notice, and subject to the terms and conditions of the Sales Agreement, Cowen may sell the Shares by methods deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended. The Company may sell the Shares in amounts and at times to be determined by the Company from time to time subject to the terms and conditions of the Sales Agreement, but the Company has no obligation to sell any of the Shares in the ATM Offering.

The Company or Cowen may suspend or terminate the ATM Offering upon notice to the other parties and subject to other conditions. Cowen will act as sales agent on a commercially reasonable efforts basis consistent with its normal trading and sales practices, applicable state and federal laws, rules and regulations, and the rules of The Nasdaq Global Market.

The Company has agreed to pay Cowen commission for its service in acting as agent in the sale of the Shares in the amount of up to 3.0% of the gross proceeds from the sale of the Shares pursuant to the Sales Agreement

During the three months ended March 31, 2024, the Company did not sell any shares under the Sales Agreement.

9. Stock-Based Compensation

Equity Plans

On July 2, 2014, the stockholders of the Company approved the 2014 Stock Option and Incentive Plan (the "2014 Plan"), which became effective immediately prior to the completion of the Company's IPO. The 2014 Plan provides for the grant of restricted stock awards, restricted stock units, incentive stock options and non-statutory stock options. The 2014 Plan replaced the Company's 2011 Stock Option and Grant Plan (the "2011 Plan"). The Company no longer grants stock options or other awards under its 2011 Plan, but any stock options outstanding under the 2011 Plan remain outstanding and effective in accordance with their terms.

The 2014 Plan provides for an annual increase, to be added on the first day of each year, by up to 4% of the Company's outstanding shares of common stock as of the last day of the prior year. On January 1, 2024, 2,401,745 shares of common stock, representing 4% of the Company's outstanding shares of common stock as of December 31, 2023, were added to the 2014 Plan.

On December 15, 2016, the Board approved the 2016 Inducement Equity Plan (as amended and restated, the "2016 Plan"). The 2016 Plan provides for the grant of equity awards to individuals who have not previously been an employee or a non-employee director of the Company to induce them to accept employment and to provide them with a proprietary interest in the Company. On September 20, 2018, the Board amended the 2016 Plan to increase the total number of shares reserved for issuance by 1,200,000 shares. On April 16, 2024, the Board amended the 2016 Plan to reduce the number of shares reserved for issuance thereunder to 428,074 shares and to provide that no further grants may be made under the 2016 Plan after April 16, 2024.

Terms of equity grants, including vesting requirements, are determined by the Board or the Compensation Committee of the Board, subject to the provisions of the applicable plan. Stock options granted by the Company that are not performance-based are considered time-based because they vest based on the continued service of the grantee with the

Company during a specified period following grant. These awards, when granted to employees, generally vest ratably over four years, with 25% vesting at the one-year anniversary and generally expire 10 years after the date of grant.

As of March 31, 2024, the total number of shares underlying outstanding awards under all equity plans was 11,170,620 and the total number of shares available for future issuance under all equity plans was 6,627,028 shares.

On June 16, 2022, the Company's stockholders approved an amendment to the amended 2014 Employee Stock Purchase Plan (the "ESPP"), which had been previously approved by the Board, to add 300,000 shares of common stock to the ESPP. On June 15, 2023, the Company's stockholders approved another amendment to the ESPP, which had been previously approved by the Board, to add an additional 500,000 shares of common stock to the ESPP. As amended, a total of 1,082,000 shares of common stock have been authorized for issuance under the ESPP.

Option Exchange Program

On January 23, 2024, the Company initiated a tender offer related to a one-time stock option exchange program pursuant to which eligible non-executive officer employees were given the opportunity to exchange certain outstanding stock options (the "Eligible Options") to purchase shares of the Company's common stock for replacement options to purchase a lesser number of shares of common stock (the "Option Exchange") upon the terms and subject to the conditions set forth in the Offer to Exchange Eligible Options for Replacement Options dated January 23, 2024 (the "Offer to Exchange"). Stock options eligible for exchange had an exercise price per share of $35.00 or greater, in addition to certain other requirements, and were exchanged for replacement options with an exercise price per share equal to the fair market value of the Company's common stock on the date of grant of the replacement options, which was February 21, 2024. The consummation of the Option Exchange was subject to approval by the Company's stockholders, which approval was received at the special meeting of stockholders held on January 31, 2024. The Company accepted for exchange Eligible Options to purchase a total of 3,079,608 shares of the Company's common stock. All tendered Eligible Options were cancelled effective as of February 21, 2024, and promptly thereafter, in exchange thereof, the Company granted replacement options for a total of 1,483,113 shares of the Company's common stock, pursuant to the terms of the Offer to Exchange and the 2014 Plan. The exercise price per share of the replacement options was $22.20 per share, which was the closing price per share of the Company's common stock on the Nasdaq Global Market on February 21, 2024. The replacement options vest over 18 months from the date of grant and have a term of seven years.

The Company expects to incur a total of $1.7 million of additional stock-based compensation expense as a result of the Option Exchange, to be recognized over the 18-month vesting period of the replacement options.

Restricted Stock Units

The following table summarizes activity relating to time-based restricted stock units and performance restricted stock units:

	Shares	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2023	3,088,394	$ 34.27
Granted	1,252,139	$ 23.67
Vested	(69,943)	$ 44.66
Forfeited	(75,604)	$ 35.69
Outstanding as of March 31, 2024	4,194,986	$ 30.91

Time-based restricted stock units

During the three months ended March 31, 2024 and 2023, the Company granted 857,084 and 330,617 time-based restricted stock units, respectively, to its employees and consultants.

During the three months ended March 31, 2024 and 2023 there were 69,943 and 14,494 time-based restricted stock units that vested, respectively. The fair value on the date of vesting for the three months ended March 31, 2024 and 2023 was $1.6 million and $0.6 million, respectively.

As of March 31, 2024, 2,399,564 time-based restricted stock units were both outstanding and unvested, and the total unrecognized stock-based compensation expense related to these awards was $33.8 million.

Performance restricted stock units

During the three months ended March 31, 2024 and 2023, the Company granted 395,055 and 822,718 performance restricted stock units, respectively, to its employees and consultants. The majority of the performance restricted stock units vest upon the achievement of certain clinical and regulatory development milestones related to product candidates and certain commercial milestones. Certain performance restricted stock units vest upon the Company reaching specified measures of total stockholder return.

Recognition of stock-based compensation expense associated with performance restricted stock units, except for those with milestones that are measures of total stockholder return, commences when the performance condition is considered probable of achievement, using management's best estimates, which consider the inherent risk and uncertainty regarding the future outcomes of the milestones. Recognition of stock-based compensation expense associated with performance restricted stock units with milestones that are measures of total stockholder return commences on the grant date and is recorded independently of the vesting outcomes of the grants.

As of and for the three months ended March 31, 2024 and 2023, for performance restricted stock units that were outstanding, and other than performance restricted stock units for which the vesting is tied to total stockholder return, the achievement of the milestones that had not been met was considered not probable, and therefore no expense has been recognized related to these awards. During the three months ended March 31, 2024 and 2023, the Company recorded $0.3 million and $21,000 of stock-based compensation expense, respectively, related to performance restricted stock units for which vesting is tied to total stockholder return.

During the three months ended March 31, 2024, no outstanding performance restricted stock units vested.

During the three months ended March 31, 2023, one regulatory development milestone for outstanding performance restricted stock units was achieved. The fair value of the performance restricted stock units that vested upon achievement was $5.5 million and the Company recognized stock-based compensation expense related to this milestone of $8.5 million.

As of March 31, 2024, 1,795,422 performance restricted stock units were both outstanding and unvested, and the total unrecognized stock-based compensation expense related to these awards was $70.7 million.

Stock Option Rollforward

The following table summarizes activity related to time-based and performance-based stock options:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	8,118,041	$ 76.02	5.66	$ 475
Granted	2,030,551	$ 22.41		
Exercised	(7,142)	$ 7.18		
Forfeited	(3,165,816)	$ 86.34		
Outstanding as of March 31, 2024	6,975,634	$ 55.81	5.93	$ 231
Exercisable as of March 31, 2024	3,931,681	$ 70.00	4.55	$ 231

As of March 31, 2024, the Company had unrecognized stock-based compensation expense related to its outstanding and unvested time-based stock option awards of $45.8 million, which is expected to be recognized over the remaining weighted average vesting period of 2.66 years.

The intrinsic value of stock options exercised during the three months ended March 31, 2024 and 2023 was $0.1 million and $1.7 million, respectively.

Performance-Based Stock Options

Recognition of stock-based compensation expense associated with performance-based stock options commences when the performance condition is considered probable of achievement, using management's best estimates, which consider the inherent risk and uncertainty regarding the future outcomes of the milestones.

As of March 31, 2024 and 2023, for performance-based stock option grants that were outstanding, the achievement of the milestones that had not been met was considered not probable, and therefore no expense has been recognized related to these awards during the three months ended March 31, 2024 and 2023, respectively.

During the three months ended March 31, 2024 and 2023, the Company granted no stock options to purchase shares of common stock that contain performance-based vesting criteria.

During the three months ended March 31, 2024 and 2023, no milestones were achieved under performance-based stock options.

As of March 31, 2024, 455,000 performance-based stock options were both outstanding and unvested, the total unrecognized stock-based compensation expense related to these awards was $24.9 million before the application of the forfeiture rate and the timing of recognition of this stock-based compensation expense is subject to judgment of the Company as to when the performance conditions are considered probable of being achieved.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense recognized during the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Research and development	$ 4,965	$ 8,773
Selling, general and administrative	8,733	11,265
	$ 13,698	$ 20,038

The following table summarizes stock-based compensation expense by award type recognized during the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Stock options	$ 7,451	$ 10,015
Restricted stock units	5,719	9,553
Employee stock purchase plan	528	470
	$ 13,698	$ 20,038

For stock option awards, the fair value is estimated at the grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which stock options are granted. The fair value of the stock options is amortized on a straight-line basis for stock option awards to employees, non-employee directors and non-employee consultants over the requisite service period of the awards.

The weighted average grant date fair value per share of stock options granted under the Company's stock option plans during the three months ended March 31, 2024 and 2023 was $15.11 and $29.65, respectively.

10. Net Loss Per Share

The following table shows the calculation of basic and diluted net loss per share for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Basic net loss per share:		
Numerator:		
Net loss (in thousands)	$ (108,483)	$ (146,828)
Denominator:		
Weighted average common stock outstanding - basic and diluted	60,136,198	59,674,127
Net loss per share - basic and diluted	$ (1.80)	$ (2.46)

The following table summarizes potential dilutive securities outstanding at the end of each reporting period that were excluded from the calculation of diluted net loss per share because including them would have been anti-dilutive as of three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Stock options	6,520,634	7,733,310
Restricted stock units	2,399,564	470,891
Employee stock purchase plan	52,975	46,846
	8,973,173	8,251,047

Stock options and restricted stock units that are outstanding and contain performance-based vesting criteria for which the performance conditions have not been met are excluded from the calculation of potential dilutive securities above.

11. Restructuring

In August 2023, the Company implemented a strategic corporate reorganization and reprioritization of its pipeline. The reorganization included a reduction of the Company's workforce by approximately 40%, designed to right-size the organization as the Company works to achieve sustained growth and support the commercialization of ZURZUVAE to treat women with PPD.

As of March 31, 2024, the Company has paid substantially all of the accrued restructuring charges. Total restructuring charges incurred to date are $32.8 million which is the total expected amount to be incurred.

The following table summarizes activity related to the restructuring accrual during the three months ended March 31, 2024:

	Restructuring Accrual (in thousands)
Balance as of December 31, 2023	$ 10,589
Restructuring expenses incurred	(597)
Cash paid	(7,424)
Non-cash activity	—
Balance as of March 31, 2024	$ 2,568

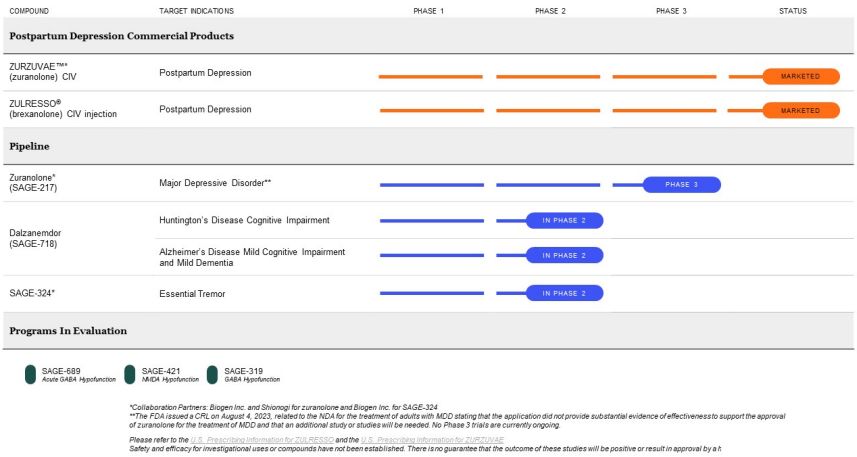
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q, or Quarterly Report, and the audited financial statements and related notes contained in our Annual Report on Form 10-K, for the year ended December 31, 2023, or Annual Report. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. We caution you that forward-looking statements are not guarantees of future performance, and that our actual results of operations, financial condition and liquidity, and the developments in our business and the industry in which we operate, may differ materially from the results discussed or projected in the forward-looking statements contained in this Quarterly Report. We discuss risks and other factors that we believe could cause or contribute to these potential differences elsewhere in this Quarterly Report, including under Part II, Item 1A, "Risk Factors" and under "Cautionary Note Regarding Forward-Looking Statements" in this Quarterly Report. In addition, even if our results of operations, financial condition and liquidity, and the developments in our business and the industry in which we operate are consistent with the forward-looking statements contained in this Quarterly Report, they may not be predictive of results or developments in future periods. We caution readers not to place undue reliance on any forward-looking statements made by us, as such statements speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the Securities and Exchange Commission, or SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

We are a biopharmaceutical company with a mission to pioneer solutions to deliver life-changing brain health medicines, so every person can thrive. Alongside our postpartum depression commercial products, we are targeting diseases and disorders of the brain across our clinical development and earlier stage pipeline. Our focus as a company is on brain health, and we are currently targeting two critical central nervous system, or CNS, receptor systems, GABA and NMDA. The GABA receptor family, which is recognized as the major inhibitory neurotransmitter in the CNS, mediates downstream neurologic and bodily function via activation of $GABA_A$ receptors. The NMDA-type receptors of the glutamate receptor system are a major excitatory receptor system in the CNS. Dysfunction in these systems is implicated in a broad range of CNS disorders.

The following table summarizes the status of our product and product candidate portfolio as of the filing date of this Quarterly Report.



Our product ZURZUVAE™ (zuranolone) was approved by the U.S. Food and Drug Administration, or FDA, on August 4, 2023 for the treatment of postpartum depression, or PPD, in adults. ZURZUVAE is a neuroactive steroid that is a positive allosteric modulator of $GABA_A$ receptors, targeting both synaptic and extrasynaptic $GABA_A$ receptors, and is the first oral, once-daily, 14-day treatment specifically indicated for adults with PPD. ZURZUVAE became commercially available in the U.S. in December 2023 as a treatment option for women with PPD. We and our collaboration partner, Biogen MA Inc., or BIMA, and Biogen International GmbH, or, together with BIMA, Biogen, are jointly commercializing ZURZUVAE in the U.S. under our collaboration and license agreement, or the Biogen Collaboration Agreement, that became effective in December 2020. We and Biogen equally share in all operating profits and losses arising from sales of ZURZUVAE in the U.S., with Biogen recording such product sales.

ZURZUVAE (zuranolone) received a Schedule IV classification from the U.S. Drug Enforcement Administration, or DEA. ZURZUVAE includes a boxed warning that instructs healthcare providers to advise patients that ZURZUVAE causes driving impairment due to CNS depressant effects, and that people who take ZURZUVAE should not drive a motor vehicle or engage in other potentially hazardous activities requiring complete mental alertness until at least 12 hours after ZURZUVAE administration for the duration of the 14-day treatment course.

We and Biogen are jointly developing zuranolone and another of our late-stage compounds, SAGE-324, in the U.S. pursuant to the Biogen Collaboration Agreement. We jointly commercialize ZURZUVAE with Biogen in the U.S. and have the right to jointly commercialize any additional products containing zuranolone, which, along with ZURZUVAE, we refer to as Licensed 217 Products, and products containing SAGE-324, which we refer to as Licensed 324 Products, if our ongoing and any future development efforts are successful. We refer to the Licensed 217 Products and Licensed 324 Products collectively as the Licensed Products. In addition, we have granted Biogen sole rights to develop and commercialize the Licensed Products outside the U.S., other than in Japan, Taiwan and South Korea, or the Shionogi Territory, with respect to zuranolone, where we have granted such rights to Shionogi & Co., Ltd., or Shionogi. We refer to the territories outside the U.S. to which Biogen has rights under the Biogen Collaboration Agreement with respect to the applicable Licensed Product as the Biogen Territory. We also have a collaboration agreement with Shionogi for the

development of zuranolone in the Shionogi Territory. Shionogi is currently developing zuranolone for the treatment of patients with major depressive disorder, or MDD, in Japan.

On August 4, 2023, the FDA issued a complete response letter, or CRL, related to the new drug application, or NDA, for zuranolone for the treatment of MDD. The CRL stated that the NDA did not provide substantial evidence of effectiveness to support the approval of zuranolone for the treatment of MDD and that one or more additional clinical trials will be needed. We and Biogen are continuing to seek feedback from the FDA and evaluating next steps.

Our product ZULRESSO® (brexanolone) CIV injection is approved in the U.S. for the treatment of PPD in individuals 15 years old and older. ZULRESSO may only be administered in qualified medically-supervised healthcare settings. Brexanolone is chemically identical to allopregnanolone, a naturally occurring neuroactive steroid that, like zuranolone, acts as a positive allosteric modulator of $GABA_A$ receptors.

We also are developing a portfolio of other novel compounds that target $GABA_A$ receptors, including SAGE-324, which is a novel $GABA_A$ receptor positive allosteric modulator intended for chronic oral dosing. We have completed enrollment of patients with essential tremor in a Phase 2b dose-ranging clinical trial of SAGE-324, known as the KINETIC 2 Study, and expect to announce topline results from the KINETIC 2 Study in mid-2024. In May 2022, we also initiated an open-label Phase 2 clinical trial designed to evaluate the long-term safety and tolerability of SAGE-324 in patients with essential tremor, with incidence of treatment-emergent adverse events as the primary endpoint. This is intended to be a multi-year clinical trial, and is currently open to rollover patients from other SAGE-324 clinical trials in patients with essential tremor, including the KINETIC 2 Study. We believe SAGE-324 may also have potential for the treatment of a number of other neurological conditions, including epilepsy and Parkinson's disease. Additional development plans for SAGE-324 will be determined as part of our strategic collaboration with Biogen.

Our second area of focus for development is novel compounds that target the NMDA receptor. Our lead product candidate selected in this area is dalzanemdor, an oxysterol-based positive allosteric modulator of the NMDA receptor, which we are exploring in certain cognition-related disorders associated with NMDA receptor dysfunction, including cognitive impairment associated with diseases such as Huntington's disease and Alzheimer's disease.

The FDA has granted dalzanemdor Fast Track designation as a potential treatment for patients with Huntington's disease. In addition, in October 2023, the FDA granted Orphan Drug Designation to dalzanemdor for the potential treatment of Huntington's disease. The European Medicines Agency previously granted Orphan Drug Designation to dalzanemdor for the potential treatment of Huntington's disease in February 2023. Dalzanemdor has also been granted Innovative Licensing and Access Pathway, or ILAP, designation from the Medicines & Healthcare products Regulatory Agency, or MHRA, in the United Kingdom for the development of dalzanemdor for the treatment of cognitive impairment associated with Huntington's disease. Dalzanemdor is currently being studied in three ongoing clinical trials in patients with Huntington's disease cognitive impairment:

- **DIMENSION Study**

  In February 2022, dosing commenced in the DIMENSION Study, a double-blind placebo-controlled Phase 2 clinical trial of dalzanemdor in patients with cognitive impairment associated with Huntington's disease. The DIMENSION Study is designed to evaluate the efficacy of once-daily dosed dalzanemdor over three months. We expect to report topline data from the DIMENSION Study in late 2024.

- **SURVEYOR Study**

  In March 2022, we initiated the SURVEYOR Study, a placebo-controlled Phase 2 clinical trial of dalzanemdor in patients with cognitive impairment associated with Huntington's disease, with a healthy volunteer component. The SURVEYOR Study is designed to generate evidence linking changes in cognition to functioning, and is not designed or powered to demonstrate a statistically significant difference between dalzanemdor and placebo. We completed enrollment in the SURVEYOR Study in February 2024 and expect to report topline data from the SURVEYOR Study in mid-2024.

- **PURVIEW Study**

  In December 2022, we initiated the PURVIEW Study, a Phase 3 open-label study to evaluate the long-term safety and tolerability of dalzanemdor in patients with cognitive impairment associated with Huntington's disease.

In addition, we are evaluating dalzanemdor for the treatment of cognitive issues associated with Alzheimer's disease. In December 2022, we initiated the LIGHTWAVE Study, a randomized placebo-controlled Phase 2 clinical trial of dalzanemdor in patients with mild cognitive impairment and mild dementia due to Alzheimer's disease. The LIGHTWAVE Study is designed to evaluate the safety and efficacy of dalzanemdor dosed over an 84-day period, followed by a controlled follow-up period. We completed enrollment in the LIGHTWAVE Study in March 2024 and expect to report topline data from the LIGHTWAVE Study in late 2024.

In April 2024, we announced topline results from the PRECEDENT Study, a double-blind, placebo-controlled Phase 2 clinical trial of dalzanemdor in patients with mild cognitive impairment due to Parkinson's disease, which was designed to evaluate the safety and efficacy of dalzanemdor in this patient population over 42 days, followed by a controlled follow-up period. The PRECEDENT Study did not meet its primary endpoint of demonstrating statistically significant difference from baseline in participants treated with once-daily dalzanemdor versus placebo on the Wechsler Adult Intelligence Scale Fourth Edition-IV (WAIS-IV) Coding Test score at Day 42. A total of 86 participants were enrolled and randomized in the PRECEDENT Study. Dalzanemdor was generally well-tolerated, and there were no new safety signals observed. A total of 48 participants experienced treatment emergent adverse events, or TEAEs. The majority of TEAES were mild to moderate in severity. The analyses did not suggest any meaningful differences versus placebo in the other exploratory endpoints, such as the SCales for Outcomes in PArkinson's disease-COGnition (SCOPA-COG). Based on these results, we do not plan any further development of dalzanemdor for the treatment of Parkinson's disease.

We have other programs at earlier stages of development with a focus on both acute and chronic brain health disorders. Our earlier stage product candidates include SAGE-689, a balanced $GABA_A$ receptor positive allosteric modulator in Phase 1 clinical development intended for intramuscular administration, and SAGE-319, an extrasynaptic $GABA_A$ receptor-preferring positive allosteric modulator in Phase 1 clinical development for its potential use as an oral therapy in treating neurodevelopmental and motor disorders. We also have earlier stage compounds focused on NMDA receptor modulation, including SAGE-421, an NMDA receptor positive allosteric modulator that we plan to study for its potential use as an oral therapy in treating cognitive impairment and schizophrenia. We expect to continue our work on allosteric modulation of the $GABA_A$ and NMDA receptor systems in the brain. The $GABA_A$ and NMDA receptor systems are broadly accepted as impacting many psychiatric and neurological disorders, spanning disorders of mood, seizure, cognition, anxiety, sleep, pain, and movement, among others. We believe that we may have the opportunity to develop molecules from our internal portfolio with the goal of addressing a number of these disorders in the future, and also believe that we may have the opportunity to use our scientific approach to explore targets beyond the $GABA_A$ and NMDA receptor systems and to develop compounds in areas of unmet need outside of brain health.

We began to generate revenue from product sales in the second quarter of 2019 in conjunction with the launch of our product ZULRESSO in June 2019. In the fourth quarter of 2020, we recorded revenue from the strategic collaboration with and stock purchase by Biogen. In addition, we record as collaboration revenue - related party our share of Biogen's sales of ZURZUVAE, which became commercially available in late 2023. We also achieved and recognized the milestone totaling $75.0 million for the first commercial sale of ZURZUVAE for the treatment of women with PPD in the U.S. in the fourth quarter of 2023, as a result of the first sale of ZURZUVAE to a distributor, and received the milestone payment in January 2024.

We have incurred net losses in each year since our inception, except for net income of $606.1 million for the year ended December 31, 2020, reflecting revenue recognized under the Biogen Collaboration Agreement, and we had an accumulated deficit of $2.7 billion as of March 31, 2024. Our net loss was $108.5 million for the three months ended March 31, 2024. These losses have resulted principally from costs incurred in connection with research and development activities and selling, general and administrative costs associated with our operations and our commercial build. We expect to incur significant expenses and operating losses for the foreseeable future.

Based on our current operating plan, we anticipate that our existing cash, cash equivalents and marketable securities as of March 31, 2024, anticipated funding from our ongoing collaborations and estimated revenues, will support our operations into 2026. We do not anticipate receipt of any additional milestone payments from collaborations in the remainder of 2024. See "—Liquidity and Capital Resources".

Additionally, in August 2023, we implemented a strategic corporate reorganization and reprioritization of our pipeline to support goals for long-term business growth. As a result, we expect that our operating expenses will decrease in 2024 as compared to 2023. However, we expect to continue to incur significant costs in connection with our ongoing activities, including if and as we:

- commercialize ZURZUVAE for the treatment of women with PPD in the U.S.; and potentially advance the development of zuranolone in additional indications as part of our strategic collaboration with Biogen;
- complete the ongoing and planned clinical trials of SAGE-324 as part of our strategic collaboration with Biogen;
- complete ongoing and planned clinical trials of dalzanemdor;
- support our collaboration with Biogen with respect to zuranolone and SAGE-324 in the U.S., and support Biogen's development of zuranolone and SAGE-324 in Biogen's licensed territories outside the U.S. and Shionogi's development of zuranolone in the Shionogi Territory;
- provide support for existing, active ZULRESSO treatment sites;
- advance certain of our earlier-stage compounds; make decisions with respect to the development of zuranolone for the treatment of MDD; continue our research and development efforts to evaluate the potential for our other existing product candidates for the treatment of additional indications or in new formulations; identify new targets, and generate and test new compounds and product candidates, with a focus on indications where we believe we can make well-informed, rapid go/no-go decisions, with the goal of developing a diversified portfolio of assets with differentiated features;
- prepare and file NDAs with the FDA and conduct permitted pre-launch activities with respect to any of our product candidates that we believe have been successfully developed;
- commercialize any product candidates for which we obtain regulatory approval, including the manufacture of commercial supplies;
- evaluate the market potential and regulatory pathways for our product candidates beyond zuranolone and SAGE-324 in the European Union and other jurisdictions outside the U.S., and determine how best to move forward where and when it may make business and strategic sense;
- continue to build, maintain, defend, leverage, and expand our intellectual property portfolio, including by utilizing the strengths of our proprietary chemistry platform and scientific know-how to expand our portfolio of new chemical entities to lessen our long-term reliance on the success of any one program and to facilitate long-term growth; and
- continue to explore opportunities to establish licenses, collaborations or other agreements or alliances with other biotechnology and pharmaceutical companies, at the appropriate time, where we believe a collaboration will add significant value to our efforts, including through capabilities, infrastructure, speed or financial contributions, or to acquire new compounds, product candidates or products if we believe such opportunities will help us achieve our goals or meet other strategic objectives.

Until such time that we can generate significant revenue on a sustained basis from product sales and/or from collaborations, if ever, we expect to finance our operations primarily through a combination of revenue, equity or debt financings and other sources, including our collaborations with Biogen and Shionogi and potential future collaborations. We may not be successful in our commercialization of ZURZUVAE, ZULRESSO, or any other product, and may not generate meaningful revenue or revenue at the levels or on the timing necessary to support our investment and goals. We may never successfully complete development of any of our current or future product candidates, successfully file for or obtain necessary regulatory approval for such product candidates, or achieve commercial viability for any resulting approved product. We may not obtain or maintain adequate patent protection or other exclusivity for our products or

product candidates. Adequate additional financing may not be available to us on acceptable terms, or at all. Our inability to raise capital if and when needed would have a negative impact on our financial condition and on our ability to pursue our business strategy. Arrangements with our existing collaborators have required us to relinquish rights to certain of our technologies or product candidates, and any future collaborations may require us to relinquish additional rights. We will need to generate significant revenue to achieve profitability, and we may never do so.

Financial Operations Overview

Revenue

We began to generate revenue from product sales in the second quarter of 2019 in conjunction with the launch of our product ZULRESSO as a treatment for PPD in June 2019. In addition, in late 2023, we began to generate collaboration revenue - related party from our share of Biogen's sales of ZURZUVAE in the U.S.

ZURZUVAE became commercially available in the U.S. in December 2023 as the first and only oral product approved by the FDA specifically for the treatment of adults with PPD. We and Biogen are jointly commercializing ZURZUVAE in the U.S. for the treatment of women with PPD under the Biogen Collaboration Agreement. We and Biogen equally share in all operating profits and losses arising from sales of ZURZUVAE in the U.S., with Biogen recording such product sales.

We and Biogen are utilizing a specialty pharmacy distribution model by which ZURZUVAE is shipped directly to women with PPD who are prescribed the treatment. We and Biogen have active field sales forces supported by experienced sales leadership teams and professionals in marketing, access and reimbursement, managed markets, market research, commercial operations, and sales force planning and management. We and Biogen are continuing to engage in discussions with national, regional and government payors to advocate for broad and equitable access to ZURZUVAE for women with PPD with minimal restrictions. Payor coverage is currently in place for a majority of commercially covered lives for ZURZUVAE in the treatment of women with PPD without step therapy or complex prior authorizations, including coverage from two national Pharmacy Benefit Managers. We expect formulary discussions to continue over the course of 2024.

In the first quarter ending March 31, 2024, over 700 prescriptions for ZURZUVAE were shipped and delivered. We have also launched a patient support program, ZURZUVAE For You, which provides educational resources, help with understanding insurance coverage, and assistance navigating the prescription fulfillment process for women with PPD who are prescribed treatment. This program also includes financial assistance, such as the potential for copay assistance for women with PPD who have commercial insurance and the potential to be provided product at no cost for eligible patients.

Our current commercial operations for ZULRESSO are limited to account management focused on geographies that have existing, active ZULRESSO treatment sites. We expect that the commercial availability of ZURZUVAE for women with PPD, our limited commercial efforts for ZULRESSO, and barriers to treatment with ZULRESSO will continue to substantially limit the revenue opportunity for ZULRESSO and the number of healthcare settings that are or become treatment sites for ZULRESSO. We expect that ZULRESSO revenues are likely to continue to decrease over time with availability of ZURZUVAE as an additional treatment for women with PPD. ZULRESSO is administered as a continuous infusion given over two and a half days.

We will not generate revenue from other products unless and until we or any of our collaborators successfully develop, obtain regulatory approval of, and commercialize one of our current or future product candidates. If we enter into additional collaboration agreements with third parties for our product candidates, we may generate revenue from those collaborations. We expect that revenue, if any, that we may generate under our existing or future collaboration agreements will fluctuate from quarter to quarter as a result of the timing and amount of license fees, payments for clinical materials or manufacturing services, milestone payments, royalties paid to us and our share of collaboration revenues resulting from sales of any commercialized products, and other payments.

In June 2018, we entered into a strategic collaboration with Shionogi for the clinical development and commercialization of zuranolone for the treatment of MDD and other potential indications in the Shionogi Territory. Under the terms of the agreement, Shionogi is responsible for all clinical development, regulatory filings and commercialization and manufacturing of zuranolone for the treatment of MDD, and potentially other indications, in the Shionogi Territory. In October 2018, we also entered into a clinical supply agreement with Shionogi under which we supply Shionogi with zuranolone material for clinical and development purposes. To date, revenue from our collaboration with Shionogi has come from an initial, upfront license fee upon execution of the collaboration agreement of $90.0 million in the year ended December 31, 2018, and for the supply of materials under the clinical supply agreement.

In November 2020, we entered into the Biogen Collaboration Agreement with Biogen for the development, manufacture and commercialization of the Licensed Products. In connection with the execution of the Biogen Collaboration Agreement, we also entered into a stock purchase agreement for the sale and issuance to BIMA of 6,241,473 shares of our common stock for aggregate consideration of $650.0 million. The Biogen Collaboration Agreement became effective in December 2020, and the sale of the common stock under the stock purchase agreement closed on December 31, 2020. As a result of the purchase of common stock by BIMA, Biogen is a related party of ours. Under the terms of the Biogen Collaboration Agreement, we will jointly develop and, if successful, jointly commercialize the Licensed Products in the U.S. and Biogen solely will develop and commercialize the Licensed Products in the Biogen Territory. We and Biogen have agreed to share equally all costs for activities, as well as the profits and losses, upon FDA approval of the Licensed Products, under the Biogen Collaboration Agreement solely for the U.S. Biogen is solely responsible for all costs for activities under the Biogen Collaboration Agreement in the Biogen Territory. Biogen is the principal and records sales of ZURZUVAE in the U.S. and will be the principal and record sales of Licensed 217 Products globally. We will be the principal and record sales of Licensed 324 Products in the U.S. and Biogen will be the principal and record sales of Licensed 324 Products in the Biogen Territory. In the year ended December 31, 2020, we recorded license and milestone revenue – related party of $1.1 billion, consisting of an upfront payment of $875.0 million plus $232.5 million in excess proceeds from the equity investment under the stock purchase agreement, when measured at fair value. We also achieved a milestone under the Biogen Collaboration Agreement totaling $75.0 million and recorded license and milestone revenue - related party in in the fourth quarter of 2023 for the first commercial sale of ZURZUVAE for the treatment of women with PPD in the U.S., as a result of the first sale of ZURZUVAE to a distributor, and received the milestone payment in January 2024. For further discussion regarding the accounting for the Biogen Collaboration Agreement, refer to Note 7, *Collaboration Agreements,* in the accompanying Notes to Condensed Consolidated Financial Statements appearing in Part I, Item 1 of this Quarterly Report.

Collaborative Arrangements

We analyze our collaboration arrangements to assess whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities and therefore within the scope of Accounting Standards Codification, or ASC, Topic 808, *Collaborative Arrangements*, or Topic 808. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of Topic 808 that contain multiple elements, we first determine which elements of the collaboration are deemed to be within the scope of Topic 808 and which elements of the collaboration are more reflective of a vendor-customer relationship and therefore within the scope of ASC Topic 606, *Revenue from Contracts with Customers*, or Topic 606. For elements of collaboration arrangements that are accounted for pursuant to Topic 808, an appropriate recognition method is determined and applied consistently, either by analogy to authoritative accounting literature or by applying a reasonable and rational policy election. For those elements of the arrangement that are accounted for pursuant to Topic 606, we apply the five-step revenue recognition model and present the arrangement as license and milestone revenue or other collaboration revenue in the consolidated statements of operations and comprehensive loss.

For collaboration arrangements that are within the scope of Topic 808, we evaluate the income statement classification for presentation of amounts due from or owed to other participants associated with multiple activities in a collaboration arrangement based on the nature of each separate activity. Payments or reimbursements that are the result of a collaborative relationship, instead of a customer relationship, are recorded as an increase to collaboration revenue, an increase to or reduction of cost of revenues, research and development expense or selling, general and administrative

expense, depending on the nature of the activity. For further discussion regarding the accounting for collaborative arrangements, refer to Note 7, *Collaboration Agreements*, in the accompanying Notes to Condensed Consolidated Financial Statements appearing in Part I, Item 1 of this Quarterly Report.

We expect that revenue, if any, that we may generate under our collaboration agreements will fluctuate from quarter to quarter as a result of the timing and amount of license fees, payments for clinical materials or manufacturing services, milestone payments, royalties paid to us and our share of collaboration revenues from sales of any commercialized products, and other payments. We expect that our revenue will increase due to the commercial launch of ZURZUVAE for the treatment of women with PPD which commenced in December 2023. We achieved a milestone under the Biogen Collaboration Agreement totaling $75.0 million for the first commercial sale of ZURZUVAE for the treatment of women with PPD in the U.S. in the fourth quarter of 2023, as a result of the first sale of ZURZUVAE to a distributor, and received the milestone payment in January 2024. For further discussion regarding our collaboration agreements with Shionogi and Biogen and the accounting for revenue from collaboration agreements, refer to Note 2, *Summary of Significant Accounting Policies* and Note 7, *Collaboration Agreements,* in the accompanying Notes to Condensed Consolidated Financial Statements appearing in Part I, Item 1 of this Quarterly Report.

Cost of Revenues

Cost of revenues includes direct and indirect costs related to the manufacturing and distribution of ZULRESSO, including third-party manufacturing costs, packaging services, freight, third-party royalties payable on our net product revenue of ZULRESSO and amortization of intangible assets associated with ZULRESSO. Cost of revenues also includes our proportionate share of ZURZUVAE manufacturing costs under the Biogen Collaboration Agreement (for further discussion regarding our collaboration agreement with Biogen and the accounting from collaboration agreements, refer to Note 2, *Summary of Significant Accounting Policies* and Note 7, *Collaboration Agreements,* in the accompanying Notes to Condensed Consolidated Financial Statements appearing in Part I, Item 1 of this Quarterly Report). Cost of revenues may also include period costs, related to certain inventory manufacturing services and inventory adjustment charges. We estimate that our cost of revenues for ZULRESSO as a percentage of net product revenue will remain in the high-single digit to low-double digits percentage range for the foreseeable future. We expect to utilize zero-cost inventory with respect to both ZULRESSO and ZURZUVAE for an extended period of time. We expect that overall, our cost of revenues will increase over time due to sales of ZURZUVAE and the recording of our proportionate share of product costs under the Biogen Collaboration Agreement.

Operating Expenses

Our operating expenses consist primarily of costs associated with research and development activities and selling, general and administrative activities.

Research and Development Expenses

Research and development expenses, which consist primarily of costs associated with our product research and development efforts, are expensed as incurred. Research and development expenses consist primarily of:

- personnel costs, including salaries, benefits, stock-based compensation and travel expenses, for employees engaged in research and development functions;
- expenses incurred under agreements with contract research organizations, or CROs, and sites that conduct our non-clinical studies and clinical trials;
- expenses associated with manufacturing materials for use in non-clinical studies and clinical trials and developing external manufacturing capabilities;
- costs of outside consultants engaged in research and development activities, including their fees and travel expenses;
- other expenses related to our non-clinical studies and clinical trials and expenses related to our regulatory activities;

- payments made under our third-party license agreements; and
- a portion of our information technology, facilities and other related expenses, including rent, depreciation, maintenance of facilities, insurance and supplies.

We consider the collaborative activities associated with the co-development, co-commercialization, and co-manufacturing of Licensed 217 Products and Licensed 324 Products in the U.S. to be separate units of account within the scope of Topic 808 as we and Biogen are both active participants in the development and commercialization activities and are exposed to significant risks and rewards that are dependent on the development and commercial success of the activities in the arrangement. In periods prior to commercialization, payments to or reimbursements from Biogen related to the co-development and co-manufacturing activities are accounted for as an increase to or reduction of research and development expense. Following commercialization, payments to or reimbursements from Biogen related to commercial co-manufacturing activities are accounted for as an increase to or reduction of cost of revenues. During the three months ended March 31, 2024 and 2023, we recorded net reimbursement of $5.7 million and $17.3 million, respectively, from Biogen that was deducted from our research and development expenses because we incurred a greater amount of these expenses than Biogen.

Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and our clinical sites.

We have been developing our product candidates and focusing on other research and development programs, including exploratory efforts to identify new compounds, target validation for identified compounds and lead optimization for our earlier-validated programs. Our direct research and development expenses are tracked on a program-by-program basis, and consist primarily of external costs, such as fees paid to investigators, central laboratories, CROs and contract manufacturing organizations, in connection with our non-clinical studies and clinical trials; third-party license fees related to our product candidates; and fees paid to outside consultants who perform work on our programs. We do not allocate employee-related costs and other indirect costs to specific research and development programs because these costs are deployed across multiple product programs under research and development and, as such, are separately classified as unallocated or stock-based compensation in research and development expenses.

Research and development activities are central to our business. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. Even though we have post-approval obligations for ZURZUVAE, we expect that our research and development spending will decrease as a result of focusing our development efforts in the near term on our product candidates dalzanemdor and SAGE-324 and pausing certain earlier-stage programs.

We cannot determine with certainty the duration and costs of the current or future clinical trials of our product candidates. The duration, costs, and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the scope, size, rate of progress, and expense of our ongoing as well as any additional clinical trials, non-clinical studies, and other research and development activities;
- future results of ongoing, planned or future clinical trials and non-clinical studies;
- decisions by regulatory authorities related to our product candidates;
- uncertainties in clinical trial enrollment rate or design;
- significant and changing government regulation; and
- the receipt and timing of regulatory approvals, if any.

In addition, healthcare and vendor staffing shortages and disruption to the U.S. healthcare system, and/or the impact of other macroeconomic and geopolitical conditions, may also negatively impact our ongoing and planned development activities and increase our research and development costs. Concerns, precautions and restrictions, staffing shortages, or other changes to the macroeconomic environment may substantially slow clinical site identification and activation and enrollment in our clinical trials, may impair or delay the conduct, auditing, monitoring, or completion of our trials, may impair or impede the timeliness and completion of our data collection and analysis efforts or the integrity of our data, or may cause us to pause trials, in each case which may significantly impact our ability to meet our expected timelines or cause us to change our plans and may significantly increase our research and development costs.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development of a product candidate or for regulatory approval, or if we experience significant delays in enrollment in any of our clinical trials or need to enroll additional patients, we could be required to expend significant additional financial resources and time on the completion of clinical development.

Any failure to complete any stage of the development of any potential product candidates in a timely manner could have a material adverse effect on our operations, financial position and liquidity. A discussion of some of the risks and uncertainties associated with not completing our programs on schedule, or at all, and the potential consequences of failing to do so, are set forth in Part II, Item 1A of this Quarterly Report under the heading “Risk Factors”.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of personnel costs, including those personnel costs associated with the direct sales and marketing force and our patient support program for ZURZUVAE, including salaries, benefits and travel expenses for our executive, finance, business, commercial, corporate development and other administrative functions, and stock-based compensation expense. Selling, general and administrative expenses also include professional fees for expenses incurred under agreements with third parties relating to the commercialization of ZURZUVAE and ZULRESSO; launch activities related to ZURZUVAE; public relations, audit, tax and legal services, including legal expenses to pursue patent protection of our intellectual property; and a portion of our information technology, facilities and other related expenses, including rent, depreciation, maintenance of facilities, insurance and supplies.

We have an active field sales force supported by experienced sales leadership teams and professionals in marketing, access and reimbursement, managed markets, market research, commercial operations, and sales force planning, and management dedicated to commercialization of ZURZUVAE. Our current commercial operations for ZULRESSO are limited to account management focused on geographies that have existing, active ZULRESSO treatment sites. We expect to continue to incur significant commercialization expenses, including payroll and related expenses, to support ongoing commercial activities associated with ZURZUVAE and support of existing ZULRESSO treatment sites.

In August 2023, we implemented a strategic corporate reorganization and reprioritization of our pipeline to support goals for long-term business growth. As a result, we expect that our selling, general and administrative expenses will decrease in 2024 as compared to 2023. We expect to continue to incur significant selling, general and administrative expenses as we and our collaboration partner commercialize ZURZUVAE in the U.S. for the treatment of women with PPD. These expenses include the personnel costs associated with the direct sales and marketing force for ZURZUVAE, and our patient support program for ZURZUVAE. Additionally, we will incur significant expenses from the progression of our development efforts for our current or future product candidates and commercialization of those products, if successfully developed and approved. We expect to continue to incur significant expenses associated with general operations, including costs related to accounting and legal services, director and officer insurance premiums, facilities and other corporate infrastructure and office-related costs, such as information technology costs.

We consider the collaborative activities associated with the co-development, co-commercialization, and co-manufacturing of Licensed 217 Products and Licensed 324 Products in the U.S. to be separate units of account within the scope of Topic 808 as we and Biogen are both active participants in the development and commercialization activities and

are exposed to significant risks and rewards that are dependent on the development and commercial success of the activities in the arrangement. Payments to or reimbursements from Biogen related to the co-commercialization activities are accounted for as an increase to or reduction of selling, general and administrative expense. During the three months ended March 31, 2024 and 2023, we recorded net reimbursement from us to Biogen of $2.3 million and $3.0 million, respectively, that was added to our selling, general and administrative expenses.

Results of Operations

Comparison of the Three Months Ended March 31, 2024 and 2023

The following table summarizes our results of operations for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,		Increase (Decrease)
	2024	2023	
	(in thousands)		
Product revenue, net	$ 1,690	$ 3,294	$ (1,604)
Collaboration revenue - related party	6,212	—	6,212
Total revenue	7,902	3,294	4,608
Operating costs and expenses:			
Cost of revenues	1,269	230	1,039
Research and development	71,734	92,826	(21,092)
Selling, general and administrative	52,574	65,708	(13,134)
Total operating costs and expenses	125,577	158,764	(33,187)
Loss from operations	(117,675)	(155,470)	37,795
Interest income, net	9,204	8,830	374
Other expense, net	(12)	(188)	176
Net loss	$ (108,483)	$ (146,828)	$ 38,345

Product Revenue, Net

During the three months ended March 31, 2024 and 2023, we recognized $1.7 million and $3.3 million, respectively, of net product revenue related to sales of ZULRESSO. Sales allowances and accruals consisted of chargebacks, discounts, distribution fees, rebates and patient financial assistance, and were not significant during either period.

Collaboration Revenue - Related Party

During the three months ended March 31, 2024, we recognized $6.2 million of collaboration revenue - related party for our share of Biogen's net ZURZUVAE sales to customers in the U.S. under the Biogen Collaboration Agreement. To record our share of collaboration revenue – related party from the sales of ZURZUVAE, we utilize certain information from Biogen, including information regarding revenue from the sale of the product and associated reserves. Reported collaboration revenue is 50% of the net sales Biogen reports for ZURZUVAE.

During the three months ended March 31, 2023, we recognized no collaboration revenue - related party under the Biogen Collaboration Agreement.

We expect that further revenue, if any, that we may generate under our collaboration agreements will fluctuate from quarter to quarter as a result of the timing and amount of our share of collaboration revenues resulting from Biogen's sales of any commercialized products, license fees, payments for clinical materials or manufacturing services, milestone payments, royalties paid to us, and other payments. For further discussion regarding our collaboration agreements with Shionogi and Biogen and the accounting for revenue from collaboration agreements, refer to Note 2, *Summary of Significant Accounting Policies*; and Note 7, *Collaboration Agreements* in the Notes to Condensed Consolidated Financial Statements, appearing in Part I, Item 1 of this Quarterly Report.

Cost of Revenues

During the three months ended March 31, 2024 and 2023, cost of revenues was $1.3 million and $0.2 million, respectively, and is made up of direct and indirect costs related to the manufacturing and distribution of ZULRESSO including third-party manufacturing costs, packaging services, freight, third-party royalties payable on our net product revenue of ZULRESSO and amortization of intangible assets associated with ZULRESSO. Cost of revenues may also include period costs related to certain inventory manufacturing services and inventory adjustment charges. Cost of revenues also includes our proportionate share of ZURZUVAE manufacturing costs under the Biogen Collaboration Agreement, (for further discussion regarding our collaboration agreement with Biogen and the accounting for collaboration agreements, refer to Note 2, *Summary of Significant Accounting Policies*; and Note 7, *Collaboration Agreements* in the Notes to Condensed Consolidated Financial Statements, appearing in Part I, Item 1 of this Quarterly Report).

Prior to receiving FDA approval for ZULRESSO in March 2019, we manufactured ZULRESSO inventory to be sold upon commercialization and recorded $8.9 million related to this inventory build-up as research and development expense. As a result, the manufacturing costs related to the ZULRESSO inventory build-up incurred before FDA approval were already expensed in a prior period and are therefore a portion of such costs are excluded from the cost of revenues for the three months ended March 31, 2024 and 2023. We estimate that our cost of revenues as a percentage of net product revenue will remain in the high-single digit to low-double digits percentage range for the foreseeable future. We expect to utilize zero-cost inventory with respect to ZULRESSO for an extended period.

Research and Development Expenses

The following table summarizes our research and development expenses for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,		Increase (Decrease)
	2024	2023	
	(in thousands)		
zuranolone (ZURZUVAE)	$ 1,053	$ 23,139	$ (22,086)
SAGE-324	7,899	6,256	1,643
dalzanemdor (SAGE-718)	23,568	13,064	10,504
Other research and development programs	11,565	17,906	(6,341)
Unallocated expenses	28,341	40,970	(12,629)
Stock-based compensation	4,965	8,773	(3,808)
Net reimbursement from Biogen	(5,657)	(17,282)	11,625
	$ 71,734	$ 92,826	$ (21,092)

Research and development expenses for the three months ended March 31, 2024 were $71.7 million, compared to $92.8 million for the three months ended March 31, 2023. The decrease of $21.1 million was primarily due to the following:

- a decrease of $22.1 million in expenses for development of zuranolone, primarily due a decrease in manufacturing spend resulting from only receiving marketing approval for PPD and the completion of clinical trials in the fourth quarter of 2023;
- an increase of $10.5 million in expenses for development of dalzanemdor, primarily due to increased activities directed towards the ongoing conduct of one Phase 3 clinical trial and three Phase 2 clinical trials which were initiated during 2022;
- a decrease of $6.3 million in expenses for other research and development programs, primarily due to decreased work on early-stage research and clinical programs as a result of the restructuring even in the third quarter of 2023;

- a decrease of $12.6 million in expenses for unallocated expenses, primarily due to the reduction of headcount and associated overhead as a result of our restructuring in the third quarter of 2023;
- a decrease of $3.8 million in expenses for stock-based compensation, primarily due to the recognition of $4.2 million of expense related to the achievement of performance-based vesting criteria during the three months ended March 31, 2023. No expense was recognized related to the achievement of performance-based vesting criteria during the three months ended March 31, 2024; and
- a decrease of $11.6 million in the net reimbursement from Biogen pursuant to the Biogen Collaboration Agreement. For the three months ended March 31, 2024, the amount of net reimbursement was $0.5 million for zuranolone, $4.0 million for SAGE-324 and $1.2 million for costs that are reimbursable and included in unallocated expenses. For the three months ended March 31, 2023, the amount of net reimbursement was $11.4 million for zuranolone, $3.1 million for SAGE-324 and $2.7 million for costs that are reimbursable and included in unallocated expenses. The primary reason for the decrease in net reimbursement was the decrease in zuranolone expense for manufacturing for both us and Biogen resulting from PPD only approval and the completion of clinical trials in the fourth quarter of 2023.

Selling, General and Administrative Expenses

The following table summarizes our selling, general and administrative expenses for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,		Increase (Decrease)
	2024	2023	
		(in thousands)	
Personnel-related	$ 22,761	$ 28,887	$ (6,126)
Stock-based compensation	8,733	11,265	(2,532)
Professional fees	11,173	11,561	(388)
Other	7,601	10,961	(3,360)
Net reimbursement to Biogen	2,306	3,034	(728)
	$ 52,574	$ 65,708	$ (13,134)

Selling, general and administrative expenses for the three months ended March 31, 2024 were $52.6 million, compared to $65.7 million for the three months ended March 31, 2023. The decrease of $13.1 million was primarily due to the following:

- a decrease of $6.1 million in personnel-related expenses, primarily due to the reduction of headcount as a result of our restructuring in the third quarter of 2023;
- a decrease of $2.5 million in stock-based compensation expense, primarily due to the recognition of $4.3 million of expense related to the achievement of performance-based vesting criteria during the three months ended March 31, 2023. No expense was recognized related to the achievement of performance-based vesting criteria during the three months ended March 31, 2024. This amount was partially offset by an increase in expense related to new time-based restricted stock grants during the three months ended March 31, 2024;
- a decrease of $3.4 million in other expense, primarily due to lower expenses related to overhead including consultants and technology as a result of our restructuring in the third quarter of 2023; and
- a decrease of $0.7 million in the net reimbursement from us to Biogen pursuant to the Biogen Collaboration Agreement. For the three months ended March 31, 2024, the amount of net reimbursement from us to Biogen was $0.1 million for personnel-related costs and $2.2 million for external costs. For the three months ended March 31, 2023, the amount of net reimbursement from us to Biogen was $0.1 million for personnel-related costs and $2.9 million for external costs. The primary reason for the decrease in net reimbursement was a decrease in the collaboration costs incurred by Biogen related to commercialization efforts of ZURZUVAE.

Restructuring

In August 2023, we implemented a strategic corporate reorganization and reprioritization of our pipeline. The reorganization included a reduction of our workforce by approximately 40%, designed to right-size the organization as we work to achieve sustained growth and support the goal of successful commercialization of ZURZUVAE to treat women with PPD. As a result of the reduction of our workforce, we expect to realize annualized cost savings of approximately $100.0 million. As of March 31, 2024 we have recorded a total of $32.8 million of expense related to the restructuring, primarily for one-time termination benefits to the affected employees, primarily for cash payments of severance, healthcare benefits and outplacement assistance. Substantially all of the accrued restructuring charges have been incurred and paid in cash as of March 31, 2024.

Interest Income, Net and Other Income, Net

Interest income, net, and other income, net, for the three months ended March 31, 2024 and 2023 were $9.2 million and $8.6 million, respectively. The primary reason for the increase was the increase in interest rates in the three months ended March 31, 2023 compared to the three months ended March 31, 2024.

Liquidity and Capital Resources

We began to generate revenue from product sales in the second quarter of 2019 in conjunction with the commercial launch of our product ZULRESSO in June 2019 for the treatment of PPD in the U.S. We began to generate collaboration revenue from product sales of ZURZUVAE in December of 2023. We have incurred net losses in each year since our inception, except for net income of $606.1 million for the year ended December 31, 2020, reflecting revenue recognized under the Biogen Collaboration Agreement. As of March 31, 2024, we had an accumulated deficit of $2.7 billion. On December 31, 2020, we completed the sale of 6,241,473 shares of our common stock in a private placement to BIMA at a price of approximately $104.14 per share, resulting in aggregate gross proceeds of $650.0 million. Upon the first commercial sale of ZURZUVAE for the treatment of women with PPD in the U.S. in the fourth quarter of 2023, we also became entitled to receive a $75.0 million milestone payment from Biogen, which we received in January 2024. From our inception through March 31, 2024, we have received aggregate net proceeds of $2.8 billion from the sales of redeemable convertible preferred stock prior to our initial public offering, the issuance of convertible notes, and the sales of common stock in our initial public offering in July 2014, follow-on offerings and in the sale of shares of our common stock to Biogen in connection with the Biogen Collaboration Agreement, which we refer to as the Biogen Equity Purchase. We also received $1.0 billion in upfront payments under our collaborations with Biogen and Shionogi.

As of March 31, 2024, our primary sources of liquidity were our cash, cash equivalents and marketable securities, which totaled $717.0 million. We invest our cash in money market funds, U.S. government securities, corporate bonds, commercial paper, certificates of deposit and municipal securities, and our primary objectives are to preserve principal, provide liquidity and maximize income without significantly increasing risk.

The following table summarizes the primary sources and uses of cash for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ (37,832)	$ (153,682)
Investing activities	139,436	194,867
Financing activities	1,557	2,672
	$ 103,161	$ 43,857

Operating Activities

During the three months ended March 31, 2024, net cash used in operating activities primarily resulted from our net loss of $108.5 million, which was primarily attributable to our research and development activities and our selling, general and administrative expenses, partially offset by changes in our operating assets and liabilities of $58.2 million, which includes receipt of a $75.0 million milestone payment from Biogen, and $12.5 million of non-cash items.

During the three months ended March 31, 2023, net cash used in operating activities primarily resulted from our net loss of $146.8 million, which was primarily attributable to our research and development activities and our selling, general and administrative expenses, along with changes in our operating assets and liabilities of $24.0 million, partially offset by $17.2 million of non-cash items.

Investing Activities

During the three months ended March 31, 2024 and 2023, net cash provided by investing activities was $139.4 million and $194.9 million, respectively. During the three months ended March 31, 2024 and 2023, we purchased marketable securities and had sales and maturities of our marketable securities as part of managing our cash and investments portfolio.

Financing Activities

During the three months ended March 31, 2024 and 2023, net cash provided by financing activities was $1.6 million and $2.7 million, respectively. The decrease was mainly due to a decrease of proceeds from the purchase of shares under the Employee Stock Purchase Plan.

Operating Capital Requirements

We anticipate that we will continue to generate losses for the foreseeable future as we commercialize ZURZUVAE, along with our collaboration partner Biogen, for the treatment of women with PPD in the U.S.; continue the development of our current and future product candidates, and seek regulatory approvals for those product candidates that are successfully developed; prepare for potential commercialization of product candidates beyond ZULRESSO and ZURZUVAE that are successfully developed and approved, including engaging in pre-launch and launch-readiness activities; begin to commercialize any such products, if approved; make decisions with respect to development of zuranolone for the treatment of MDD; and continue our efforts to identify and develop new product candidates beyond our current portfolio. We also expect to incur significant costs associated with general operations. In addition, we expect to incur significant commercialization expenses for product sales, marketing and outsourced manufacturing with respect to ZURZUVAE, ZULRESSO, and any other future products that are successfully developed and approved. Accordingly, we anticipate that we will need substantial additional funding in connection with our continuing operations.

Based on our current operating plan, we anticipate that our existing cash, cash equivalents and marketable securities as of March 31, 2024, anticipated funding from our ongoing collaborations and estimated revenues, will support our operations into 2026. We do not anticipate receipt of any additional milestone payments from collaborations in the remainder of 2024. As a result of the restructuring we implemented in August 2023, we expect that our operating expenses will decrease in 2024 as compared to 2023. While we expect an overall decrease in our operating expenses in 2024 as compared to 2023, we still expect to incur significant operating expenses, including in connection with our efforts to commercialize ZURZUVAE in the U.S. for the treatment of women with PPD. These costs will include the expenses associated with ongoing co-commercialization activities; advancement of our planned and ongoing clinical trials for dalzanemdor and SAGE-324; continuing certain research activities; and pursuing our strategic plan.

Our current operating plan does not contemplate other activities that we may pursue or that all of our currently planned activities will proceed at the same pace, or that all of these activities will be fully initiated or completed during that time. We have based our estimates on assumptions that could change, and we may use our available capital resources sooner than we currently expect. We may also choose to change or increase our development, commercialization or other efforts. Because of the numerous risks and uncertainties associated with the development and commercialization of any

product or product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures necessary to complete development of our current or future product candidates or to commercialize any approved product.

Our future capital requirements will depend on many factors, including:

- our ability, with our collaborator Biogen, to successfully commercialize ZURZUVAE for the treatment of women with PPD in the U.S., and the timing and amount of costs associated with commercialization; the timing and amount of revenues from sales of ZURZUVAE; the level of reimbursement for ZURZUVAE both by commercial and government payors, and the nature of any potential limitations on coverage and reimbursement; and the degree of market acceptance of ZURZUVAE by healthcare providers and women with PPD;
- the impact of our August 2023 corporate reorganization and reprioritization of our pipeline;
- the timing and amount of revenues from sales of ZULRESSO, which we expect will continue to decrease over time as a result of expected sales of ZURZUVAE and will also continue to be impacted by a number of other factors, including: the rate, degree and level of market acceptance for ZULRESSO for the treatment of PPD in the U.S., particularly given the commercial availability of ZURZUVAE; our decision to focus our efforts primarily on account management for active ZULRESSO treatment sites; the continued availability of healthcare settings in those geographies to administer ZULRESSO and the ability and willingness of such healthcare settings to make sufficient capacity available; the level of reimbursement for both ZULRESSO and the infusion in the healthcare setting both by commercial and government payors, and the nature of limitations on coverage and reimbursement; and the number of healthcare professionals willing to prescribe ZULRESSO and women with PPD who agree to be treated with ZULRESSO;
- the initiation, progress, completion, timing, costs, and results of ongoing, planned and future non-clinical studies and clinical trials for our existing and future product candidates; the number and length of clinical trials required by regulatory authorities to support regulatory approval; and the costs of preparing, submitting and supporting regulatory filings for our product candidates;
- decisions we may make in the future regarding development of zuranolone for the treatment of MDD;
- the timing and amount of costs associated with our commercialization of ZURZUVAE and ZULRESSO;
- general macroeconomic and geopolitical conditions, including any capacity and resource constraints at our vendors and clinical trial sites on initiation and conduct of our clinical trials or on our supply chain;
- the ability of SAGE-324, dalzanemdor and our other clinical-stage product candidates to progress through clinical development successfully and on the timelines we expect; the outcome of discussions with regulatory authorities on regulatory pathways with respect to our product candidates; the timing, scope and outcome of regulatory filings and reviews and approvals of such product candidates, if we are successful in our development efforts; the scope and cost of any clinical trials or other commitments required post-approval for any approved products resulting from such development efforts, if successful; and the level, timing and amount of costs associated with permitted prelaunch activities and preparing for a potential future commercial launch of any such product candidate that is successfully developed and approved;
- the amounts we are entitled to receive, if any, from Biogen and Shionogi under our collaborations for profit-sharing, cost-sharing, development, regulatory, and sales milestones, and royalty payments;
- the size of the markets for which our products are approved and in the indications we are pursuing or plan to study with our product candidates; the portion of the population in the approved indications for our products are actually prescribed; and the rate and degree of market acceptance, pricing, and availability and level of reimbursement for our products and product candidates, if successfully developed and approved;
- the number and characteristics of the product candidates we pursue in development and the nature and scope of our discovery and development programs;

- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other products and technologies; and
- our ability to establish any future collaboration arrangements on favorable terms, if at all.

Until such time, if ever, as we can generate substantial product revenue and/or collaboration revenue and achieve sustained profitability, we expect to also finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other sources of funding. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or in light of other strategic considerations. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends and may require the issuance of warrants, which could potentially dilute the ownership interest of our stockholders. If we raise additional funds through collaborations, strategic alliances, licensing arrangements or other agreements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or research programs or to grant licenses on terms that may not be favorable to us. Raising funds may present challenges. Markets may experience volatility or become disrupted in the future for any number of reasons, including as a result of macroeconomic or geopolitical conditions, result in an economic recession, a decrease in corporate and consumer expenditures, prolonged unemployment, or other circumstances that could negatively impact general economic conditions. If we are unable to raise additional funds through equity or debt financings or other means when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

As disclosed in Note 6, *Commitments and Contingencies*, in the Notes to Condensed Consolidated Financial Statements appearing in Part I, Item 1 of this Quarterly Report, in January 2024, we entered into a lease for new office space in a multi-tenant building at 55 Cambridge Parkway, Cambridge, Massachusetts consisting of 30,567 square feet, which will commence on the later of (1) September 1, 2024, or (2) the date on which improvements to the new premises are, or are deemed to be, substantially completed. The lease has an initial term of approximately sixty-six months. The monthly base rent due under the lease shall initially be $224,158 per month for the first year following the rent commencement date and is scheduled to increase by approximately 3% per annum for each subsequent year of the lease term. The monthly base rent does not include related common area maintenance costs or real estate taxes, because those costs are variable.

There have been no other material changes to our contractual obligations and commitments as included in our Annual Report.

Application of Critical Accounting Policies

We have prepared our condensed consolidated financial statements in accordance with accounting principles generally accepted in the U.S. Our preparation of these condensed consolidated financial statements requires us to make estimates, assumptions, and judgments that affect the reported amounts of assets, liabilities, expenses, and related disclosures at the date of the condensed consolidated financial statements, as well as revenue and expenses recorded during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from these estimates under different assumptions or conditions. While our significant accounting policies are described in more detail in the notes to our consolidated financial statements to our Annual Report, we believe that our most critical accounting policies are those relating to revenue recognition, collaborative arrangements, accrued research and development expenses, and stock-based compensation.

There have been no material changes to our critical accounting policies from those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" included in our Annual Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We had cash, cash equivalents and marketable securities of $717.0 million as of March 31, 2024. The primary objectives of our investment activities are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Our primary exposure to market risk relates to fluctuations in interest rates, which are affected by changes in the general level of U.S. interest rates. Given the short-term nature of our cash, cash equivalents and marketable securities, we do not expect that a sudden change in market interest rates would have a material impact on our financial condition and/or results of operations. We do not own any derivative financial instruments.

We contract with vendors in foreign countries and have subsidiaries in Europe, Canada, and Bermuda. As such, we have exposure to adverse changes in exchange rates of foreign currencies associated with our foreign transactions. We believe this exposure to be immaterial. We do not hedge against this exposure to fluctuations in exchange rates.

We do not believe that our cash, cash equivalents and marketable securities have significant risk of default or illiquidity. While we believe our cash, cash equivalents and marketable securities do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash, cash equivalents and marketable securities that are in excess of federally insured limits at one or more financial institutions.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our results of operations during the three months ended March 31, 2024 and 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Securities Exchange Act of 1934) that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our President and Chief Executive Officer, who is our principal executive officer, and our Chief Financial Officer, who is also our principal financial and accounting officer, as appropriate, to allow timely decisions regarding required disclosure.

As of March 31, 2024, our management, with the participation of our principal executive officer and principal financial and accounting officer, evaluated the effectiveness of our disclosure controls and procedures. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial and accounting officer have concluded, based upon the evaluation described above, that, as of March 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) that occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We may from time to time become involved in legal proceedings relating to claims arising from our ordinary course of business, including claims related to contracts, employment arrangements, operating activities, intellectual property or other matters. We are not currently subject to any legal proceeding that we believe would have a material adverse impact on our financial position, results of operations or cash flows or other material legal proceeding.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this Quarterly Report on Form 10-Q, or Quarterly Report, and in our other public filings before making an investment decision. Our business, prospects, financial condition, or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. If any such risks or uncertainties actually occur, our business, financial condition or operating results could differ materially from the plans, projections and other forward-looking statements included in this Quarterly Report, including in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report and in our other public filings and public statements. The trading price of our common stock could decline due to any of these risks, and as a result, our stockholders may lose all or part of their investment.

Risks Related to Product Development, Regulatory Approval and Commercialization

Our future business prospects depend heavily on our ability, with our collaboration partner, Biogen MA Inc., and Biogen International GmbH, or together, Biogen, to successfully commercialize ZURZUVAE™ (zuranolone) for the treatment of women with postpartum depression, or PPD, in the U.S. There is no assurance that our commercialization efforts in the U.S. with respect to ZURZUVAE for the treatment of women with PPD will be successful or that we will be able to generate revenues at the levels or on the timing we expect or at levels or on the timing necessary to support our goals.

Our business currently depends heavily on our ability, along with our collaboration partner, Biogen, to successfully commercialize ZURZUVAE in the U.S. as a treatment for women with PPD. ZURZUVAE was approved by the United States Food and Drug Administration, or FDA, in August 2023 as a treatment for adults with PPD and became commercially available in the U.S. in December 2023. ZURZUVAE is the first oral treatment specifically indicated for PPD. We may never be able to successfully commercialize ZURZUVAE or meet our expectations with respect to revenues or profits from sales. ZURZUVAE may not achieve broad market acceptance from healthcare professionals treating women with PPD. Healthcare professionals may decide not to use ZURZUVAE as a treatment option for their patients with PPD or may only consider prescribing ZURZUVAE for a subset of women with PPD in their practice who they consider to have particularly severe symptoms relative to other patients suffering from this disease. ZURZUVAE may also not achieve broad market acceptance from women with PPD who may decide that they do not want to be treated with ZURZUVAE out of concerns about the safety and tolerability profile of ZURZUVAE or use while breastfeeding. ZURZUVAE includes a boxed warning that instructs healthcare providers to advise patients that ZURZUVAE causes driving impairment due to central nervous system depressant effects, and that people who take ZURZUVAE should not drive a motor vehicle or engage in other potentially hazardous activities requiring complete mental alertness until at least 12 hours after ZURZUVAE administration for the duration of the once-daily 14-day treatment course, which could decrease willingness to prescribe or use ZURZUVAE. The label also includes information about adverse events and other warnings and precautions that may cause a woman with PPD not to consider ZURZUVAE as a treatment option. ZURZUVAE may also not achieve broad market acceptance for the treatment of women with PPD if payors are not willing to provide reimbursement for the treatment or impose significant restrictions on reimbursement. Payors may decide to limit reimbursement for ZURZUVAE, including by requiring women with PPD to try other treatments prior to ZURZUVAE, requiring a specific showing of symptom severity on measurements scales, requiring prior consultation with a psychiatrist, or imposing other onerous prior authorization requirements, or may deny reimbursement for other reasons or in all cases. Some payors currently require that healthcare professionals attest that the women with PPD for whom they have prescribed ZURZUVAE have severe symptoms. In addition, even if a healthcare professional writes a

prescription for ZURZUVAE for the treatment of a women with PPD, the prescription may not result in product being shipped to a patient and a patient taking ZURZUVAE. The healthcare professional or the patient may, for example, not take the steps necessary to obtain reimbursement or to have the prescription filled at the specialty pharmacy or may find the process of obtaining a prescription through the specialty pharmacy too slow or complicated. There is no guarantee that the infrastructure, systems, processes, policies, relationships and materials we and Biogen have built for the commercialization of ZURZUVAE for the treatment of women with PPD in the U.S. will be sufficient for us to achieve success. ZURZUVAE may also not achieve the clinical benefit we expect in women with PPD. The number of women with PPD, the unmet need for additional treatment options for women with PPD, and the potential market for ZURZUVAE may be significantly smaller than we expect, or we may encounter other market-related issues, including as a result of the price we charge, in the commercialization of ZURZUVAE for the treatment of women with PPD. We and our collaboration partner, Biogen, may not be applying the optimal resources to the launch of ZURZUVAE or we or Biogen may not be able or willing to scale our resources at the right time or at an effective level. Even if we are successful in commercializing ZURZUVAE for the treatment of women with PPD, we expect the revenues from ZURZUVAE for the treatment of women with PPD will be significantly lower than if we had received regulatory approval in major depressive disorder, or MDD.

Our future business prospects depend heavily on our ability, alone or through our collaborations, to successfully develop, gain regulatory approval of and commercialize our current and future product candidates. We cannot be certain that we will be able to initiate planned clinical trials, to complete ongoing clinical trials or to announce results of such trials with respect to any of our other product candidates, on the timelines we expect or at all, or that the results of our clinical trials or other activities under our development programs will be positive. We cannot be certain that we or our collaborators will be able to advance such product candidates into additional trials or to successfully develop, obtain regulatory approval for, or successfully commercialize any of our such product candidates, if approved.

Our future business prospects depend heavily on our ability, alone or through our collaborations, to successfully develop and gain regulatory approval of our current and future product candidates. Drug development and obtaining regulatory approval for a product involves a long, expensive and uncertain process, involving a high degree of risk.

Before obtaining regulatory approvals for the commercial sale of any product candidate, non-clinical studies and clinical trials must demonstrate that the product candidate is safe and effective for use in each target indication. We or our collaborators, as applicable, may not be able to demonstrate the efficacy and safety of any of our current product candidates or any future product candidate at each stage of clinical development or we may encounter other issues with any clinical trials or non-clinical studies required for regulatory submissions. Success in non-clinical studies or in earlier clinical trials or interim results of clinical trials may not be repeated or observed in ongoing, future or completed studies or trials involving the same compound or other product candidates. Some or all of our or our collaborators' clinical trials may fail to meet their primary or key secondary endpoints, raise safety issues or generate mixed results.

For example, in April 2024, we announced that the PRECEDENT Study, a Phase 2 clinical trial evaluating dalzanemdor as a treatment for Parkinson's disease, did not meet its primary endpoint and analyses did not suggest any meaningful differences versus placebo in the other exploratory endpoints. We are continuing to advance our clinical program for dalzanemdor with multiple ongoing placebo-controlled Phase 2 studies across multiple disease areas, including its potential lead indication, cognitive impairment associated with Huntington's disease, as well as cognitive impairment in Alzheimer's disease, and these trials may similarly be unsuccessful. Our views regarding possible distinctions among these other indications as a result of the underlying pathophysiology and symptomatology in Parkinson's disease, may prove to be incorrect, and we may not achieve positive results from the ongoing studies of dalzanemdor in Huntington's disease and Alzheimer's disease.

We may find that studying alternate formulations of our product candidates or doses that achieve higher or lower patient exposure may result in unexpected adverse events or raise other safety issues or may otherwise generate negative results. For example, in our ongoing dose-ranging study of SAGE-324, the KINETIC 2 Study, we are evaluating multiple doses, including the same maximum dose of SAGE-324 that we evaluated in prior studies. We might decide to evaluate different doses, formulations, and durations of dosing for any of our product candidates with other studies or programs in the future. The results of clinical trials or non-clinical studies of our product candidates at any stage may not support further development or may not be sufficient to file for and obtain regulatory approval on the timelines we expect or at all.

The FDA or other regulatory agencies may not agree with our interpretation of the results of clinical trials or non-clinical studies. Other decisions or actions of the FDA or other regulatory agencies may affect our plans, progress, results, timing or next steps. For example, we received a complete response letter, or CRL, related to the new drug application, or NDA, for zuranolone for the treatment of MDD. The FDA has taken the position that one or more additional clinical trials of zuranolone are required to support approval in MDD. We may never conduct additional trials or obtain regulatory approval of zuranolone for the treatment of MDD. Even if we conduct additional trials in MDD, there is no guarantee that the design and results of any additional clinical trials we conduct will be sufficient to obtain such regulatory approval. Even if we receive regulatory approval of zuranolone for the treatment of MDD, our commercialization efforts with respect to zuranolone for the treatment of MDD may not be successful.

Changes in formulation or the need to refine or scale-up the manufacturing process as we do for any of our product candidates could also delay development or require us to conduct additional clinical trials or non-clinical studies or conduct post-approval analyses, or could lead to different results than achieved with the earlier formulation or processes. We or our collaborators may not be able to initiate or complete our clinical trials or announce results from our clinical trials on the timelines we expect. We or our collaborators may experience slower than expected activation of sites or enrollment and randomization of patients in our clinical trials, particularly in clinical trials where an in-patient stay or frequent site visits are required, the patient population is small, enrollment criteria are more selective than historically used, there are existing therapies, where other companies are running large clinical trials, or where relevant clinical sites or our vendors are experiencing healthcare staffing shortages or significant turnover. There is also the potential for slower than expected clinical site initiation, problems with the conduct of a study at one or more sites, delays or problems in analyzing data, the potential need for additional analysis or data or the need to enroll additional patients, the negative impact of feedback from the FDA or other regulatory authorities on trial design or analysis of results, the need to make protocol amendments or other unexpected issues, such as adverse events, in any of our clinical trials. These types of delays or issues could lead to delays in the completion of a trial and announcement of results or impact the results of our trials.

Our ongoing and planned development activities may be negatively impacted by a number of factors. Widespread healthcare and vendor staffing shortages and increased competition for patients and clinical sites may make it difficult to enroll patients in our clinical trials and/or identify and activate participating clinical sites for our trials, may cause other delays at clinical trial sites and/or vendors, and may increase the rates of patients withdrawing from our clinical trials following enrollment. Some clinical sites may decline or delay participation in our trials due to capacity and resource constraints. These factors may substantially slow clinical site identification and activation and enrollment in our clinical trials, or cause us to pause trials, which may, in each case, significantly impact our ability to meet our expected timelines, budgets, or other plans.

We or our clinical sites may in the future implement measures to help minimize the number of visits a clinical trial participant is required to make to a site in response to certain events, including by limiting or modifying clinical trial procedures and visits for data collection, or clinical sites may impose other restrictions or limitations on key clinical trial activities such as restrictions related to monitoring of the sites by clinical research organizations. Limitations or modifications to study procedures, study visits or data collection, restrictions on key clinical trial activities such as monitoring or auditing, or other restrictions that may affect data analysis activities may require additional assessment and evaluation from institutional review boards; negatively impact the integrity or completeness of our trial data, the powering of a trial, the integrity or relevance of clinical study endpoints; or impact the timing of availability of results.

The drug development process can take many years, and may include post-marketing studies and surveillance, which will require the expenditure of substantial resources. Of the large number of drugs in development in the U.S., only a small percentage will successfully complete the FDA regulatory approval process and will be commercialized. Accordingly, even if we have the requisite financial resources, when needed, to continue to fund our development efforts, we cannot assure you that any of our current or future product candidates will be successfully developed or commercialized either in the U.S. or in any country outside the U.S. Even if we or our collaborators conduct the trials required by or discussed with the FDA, the FDA may ultimately decide that the design, number and type of trials, number of patients studied or results, even if positive, are not sufficient to file for or gain regulatory approval of any of our product candidates in the indications we study, or do not support the safety or efficacy or our intended profile for the product, as was the case with the CRL that the FDA issued related to the NDA for zuranolone for the treatment of MDD.

Even if we or one of our collaborators gains approval of any of our current or future product candidates, we and our collaborator may never be able to successfully commercialize such new product in the approved indications or meet our expectations with respect to timing and revenues or profits from sales of such product.

We may never be able to generate meaningful revenues from sales of ZULRESSO® (brexanolone) CIV injection at levels or on timing necessary to support our investment and goals.

Our product ZULRESSO is approved in the U.S. as a treatment for PPD in individuals 15 years old and older. ZULRESSO was first made commercially available in the U.S. in June 2019. Our revenues from sales of ZULRESSO have been negatively impacted by significant barriers arising from the complex requirements for treatment and, historically, by the impacts of the COVID-19 pandemic. Some or all of these factors are expected to continue to impact revenues negatively in the future.

ZULRESSO is administered as a continuous infusion given over two and a half days. Because of the risk of serious harm resulting from excessive sedation or sudden loss of consciousness during the ZULRESSO infusion, ZULRESSO is approved for administration only in a medically-supervised healthcare setting that has been certified under a Risk Evaluation and Mitigation Strategy, or REMS, program and meets the other requirements of the REMS program, including requirements related to monitoring of the patient during the infusion. The actions required for a healthcare setting to be ready and willing to treat women with PPD are complex and time-consuming. These actions include becoming REMS-certified; achieving formulary approvals; establishing protocols for administering ZULRESSO; and securing satisfactory reimbursement. Sites must often negotiate reimbursement on a payor-by-payor basis under commercial coverage. These requirements have created significant barriers to treatment for women with PPD. We expect these barriers will continue to negatively impact ZULRESSO revenue growth.

Our current commercial operations for ZULRESSO are limited to account management focused on geographies that have existing, active ZULRESSO treatment sites. We expect that the commercial availability of ZURZUVAE for women with PPD, our limited commercial efforts for ZULRESSO, and barriers to treatment with ZULRESSO will continue to substantially limit the revenue opportunity for ZULRESSO and the number of healthcare settings that are or become treatment sites for ZULRESSO. We may also find that certain healthcare settings that have in the past been active treatment sites may not be willing to remain infusion-ready as a result of the complex requirements related to administration of ZULRESSO and compliance with the REMS, related limitations and restrictions, or because of actual or perceived difficulties obtaining satisfactory reimbursement or limitations on coverage and reimbursement or for other reasons, including staffing shortages, or as a result of the commercial availability of ZURZUVAE as an oral 14-day treatment option for women with PPD.

We continue to encounter other issues and challenges in commercializing ZULRESSO and generating revenues, including:

- Some women with PPD who need treatment find it too onerous to undergo an infusion or to be treated at a certified healthcare setting overnight for the length of stay required for treatment, or to be enrolled in the registry that is part of the REMS process or may be concerned about the risk of excessive sedation and sudden loss of consciousness.
- More healthcare providers than we expected have been unwilling to accept ZULRESSO as a treatment paradigm for women with PPD and this may continue; we believe this unwillingness is due primarily to the product profile and reimbursement challenges associated with ZULRESSO.
- We compete with lower cost antidepressants.
- In light of the commercial availability of ZURZUVAE as an oral treatment option for women with PPD, healthcare settings may be less likely to complete the complex and time-consuming actions required to become infusion-ready, and those healthcare settings that have in the past been active treatment sites may not be willing to remain infusion-ready.
- Given the mode of administration, the nature of the REMS and the current limitation on the administration of ZULRESSO to a medically-supervised healthcare setting certified under the REMS, use of ZULRESSO in the

U.S. has been focused primarily on women with more severe symptoms of PPD, and we expect that to continue.

- We may be unable to fully comply with our obligations under the ZULRESSO REMS, which include auditing of healthcare settings, collection and analysis of required data, and other requirements, to the satisfaction of the FDA, or the FDA may require modifications to or additional restrictions under the ZULRESSO REMS.

We also expect to continue to encounter challenges related to coverage and reimbursement of ZULRESSO. These include restrictions related to the severity of PPD cases for which ZULRESSO will be reimbursed, requirements that other treatments be used prior to ZULRESSO, or other limitations in the scope, breadth, availability or amount of reimbursement covering ZULRESSO or the infusion. For example, the availability, terms and timing of coverage for ZULRESSO by state Medicaid systems is expected to continue to vary significantly by state, and we encounter states that impose significant coverage restrictions or lengthy delays on reimbursement of ZULRESSO. Similarly, certain healthcare settings or patients may determine that the financial burdens of treatment are not acceptable. A number of healthcare settings that are willing to administer ZULRESSO to women with PPD who have commercial insurance do not currently treat Medicaid patients, which adversely affects our ability to generate revenue from ZULRESSO.

Any of these issues could continue to impair our ability to generate revenues or could impair our ability to meet our expectations with respect to the amount or timing of revenues. Any issues or hurdles related to our commercialization efforts may materially adversely affect our business, results of operations, financial condition and prospects and could lead us to make significant further changes to the scope and nature of our efforts. There is no guarantee that we will be successful in our commercialization efforts with respect to ZULRESSO, or that we will be able to generate meaningful revenues or revenues at the levels or on the timing necessary to support our investment and goals.

ZURZUVAE, ZULRESSO, our current products if approved in additional indications, our current or future product candidates, and any future products, if successfully developed and approved, may cause undesirable side effects that limit their commercial profile; delay or prevent further development or regulatory approval; cause regulatory authorities to require labeling statements, such as boxed warnings or a REMS; or result in other negative consequences.

We may observe undesirable side effects or other potential safety issues in nonclinical studies, in clinical trials at any stage of development of our product candidates, as part of an expanded access program, if initiated for any of our products or product candidates, in commercial use or in post-approval studies of any approved product. Clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, certain side effects of ZURZUVAE, ZULRESSO, any other current or future product candidates, or any future products, if successfully developed and approved, may only be uncovered, or the frequency or severity identified, with a larger number of patients exposed to the product. Those side effects could be serious or life-threatening. If we or others identify undesirable side effects, or increased severity or frequency of know side effects, caused by ZURZUVAE, ZULRESSO, any current product if approved in additional indication(s), any other existing or future product candidate, or any future approved product:

- regulatory authorities may withdraw, withhold or limit their approval of such products;
- the FDA or regulatory authorities outside the U.S. may impose a clinical hold or partial clinical hold prior to the initiation of development or during development of our product candidates which could cause us or our collaborators to have to stop, delay or restrict further development; or we or our collaborators may, even without a clinical hold, decide to interrupt, delay or halt existing non-clinical studies and clinical trials or stop development;
- we may have difficulty enrolling patients in our clinical trials and completing such trials on the timelines we expect or at all, or we may have to conduct additional non-clinical studies or clinical trials as part of a development program;

- if an NDA for any of our product candidates is reviewed by an advisory committee of the FDA, the advisory committee may recommend against approval of the application or may recommend that the FDA require, as a condition of approval, additional non-clinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions, and the FDA may ultimately agree with the recommendations of the advisory committee;
- we or our collaborators may not be able ultimately to demonstrate, to the satisfaction of the FDA or other regulatory authorities, that our product candidates are safe and that the benefits outweigh the safety risks, and the FDA or applicable foreign regulatory authorities may not approve the product candidate;
- regulatory authorities may require the addition of labeling statements, such as a boxed warning or additions to an existing boxed warning, or a contraindication, including as a result of inclusion in a class of drugs for a particular disease, or may require a REMS, or modifications to an existing REMS;
- we or our collaborators may be required to change the way such products are distributed or administered, conduct post-approval studies or change the labeling of the products;
- we or our collaborators may be subject to regulatory investigations and government enforcement actions;
- we or our collaborators may decide to remove such products from the marketplace;
- we or our collaborators could be sued and held liable for injury caused to individuals exposed to or taking our products or product candidates; and
- our reputation may suffer.

We believe that any of these events could prevent us from achieving or maintaining market acceptance of the affected products, could substantially increase the risks to our business, including the risks and costs of developing our product candidates or commercializing our products, and could significantly adversely impact our ability and that of our collaborators to successfully develop, gain regulatory approval for, and commercialize our current product candidates or future products and generate revenues at the levels we expect, or at all.

Obtaining regulatory approval to market any of our product candidates is a complex, lengthy, expensive and uncertain process, and the FDA and regulatory authorities outside of the U.S. may delay, limit or deny approval of any of our product candidates for many reasons. Any setback or delay in obtaining regulatory approval for any of our product candidates or in our ability to commence marketing of our products, if approved, may have a material adverse effect on our business and prospects.

We are not permitted to market any of our product candidates in the U.S. until we or our collaborators receive approval of an NDA from the FDA or in any foreign countries until we or our collaborators receive the requisite marketing approval from such countries. Obtaining approval of an NDA in the U.S. or marketing approval in any country outside the U.S. is a complex, lengthy, expensive and uncertain process. For example, on August 4, 2023, the FDA issued a CRL related to the NDA for zuranolone for the treatment of MDD. The CRL stated that the NDA did not provide substantial evidence of effectiveness to support the approval of zuranolone for the treatment of MDD and that one or more additional clinical trials will be needed. The FDA and regulatory authorities outside the U.S. may delay, limit or deny approval of any of our product candidates for many reasons, including, among others:

- we or our collaborators may not be able to demonstrate, to the satisfaction of the FDA or other regulatory authorities, that our product candidates are safe and effective in any indication and that the benefits outweigh the safety risks, as has been the case to date with respect to the NDA for zuranolone for the treatment of MDD;
- the results of our non-clinical studies and clinical trials may be negative, or may not meet the level of statistical or clinical significance or other criteria required by the FDA or regulatory authorities outside the U.S. for marketing approval;
- the FDA or regulatory authorities outside the U.S. may impose a clinical hold or partial clinical hold prior to the initiation of development or during development of our product candidates which could cause us to have to stop, delay or restrict further development;

- the FDA or regulatory authorities outside the U.S. may disagree with our interpretation of data from our non-clinical studies and clinical trials, or may not accept data generated at one or more of our sites conducting non-clinical studies or clinical trials which may cause the study or trial to fail;
- the FDA or regulatory authorities outside the U.S. may determine that the number, design, size, conduct, implementation or result of our non-clinical studies or clinical trials is inadequate for regulatory approval or that changes in dosing or drug formulation used in our non-clinical studies or clinical trials require additional trials or studies, even if the regulatory authorities have previously reviewed and commented on the design and details of our plans;
- the FDA or regulatory or other government authorities outside the U.S. may require that we or our collaborators conduct additional non-clinical studies and clinical trials prior to approval or post-approval;
- the FDA or applicable foreign regulatory authorities may not approve the formulation, labeling or specifications of any of our product candidates;
- if an NDA for any of our product candidates is reviewed by an advisory committee of the FDA, the advisory committee may recommend against approval of the application or may recommend that the FDA require, as a condition of approval, additional non-clinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions, and the FDA may ultimately agree with the recommendations of the advisory committee;
- the FDA or applicable foreign regulatory authorities may approve a product candidate for which we or our collaborators are seeking regulatory approval for a more limited patient population than expected or with substantial use restrictions;
- as was the case with ZULRESSO, the FDA may require a REMS as a condition of approval or post-approval for our product candidates, or may modify an existing REMS or may impose other limitations or restrictions, like a boxed warning, as was the case with ZURZUVAE;
- the FDA or applicable foreign regulatory authorities may determine that the manufacturing processes or facilities of third-party contract manufacturers with which we contract do not conform to applicable requirements, including cGMPs; or
- the FDA or applicable foreign regulatory agencies may change their approval policies or adopt new regulations.

Any of these factors, many of which are beyond our control, could jeopardize or delay our or our collaborators' ability to obtain regulatory approval for product candidates and successfully market approved products. Even if we or our collaborators receive marketing approval for any of our product candidates, regulatory or other governmental authorities may still impose significant restrictions, including restrictions on the indicated use or marketing, or may impose ongoing requirements for potentially costly post-approval studies. For example, the FDA has imposed post-approval obligations in connection with approval of ZULRESSO and ZURZUVAE. For ZURZUVAE, the FDA is requiring two post-marketing studies: a pharmacokinetic and safety study in adolescent females who have completed puberty and an embryofetal toxicity study in a second species. We may not be able to fulfill these obligations in accordance with the FDA's timelines, or at all. The FDA recommended scheduling with respect to both ZURZUVAE (zuranolone) and ZULRESSO (brexanolone), and both received a Schedule IV classification from the DEA. The FDA may recommend scheduling with respect to any of our current or future product candidates, if approved. In such event, as was the case with ZURZUVAE and ZULRESSO, prior to a product launch, the DEA will need to determine the controlled substance schedule of the product, taking into account the recommendation of the FDA. The timing of the scheduling process would delay our ability to market any product candidate that is successfully developed and approved.

We may seek priority review of future NDA submissions with the FDA, if our development efforts with respect to any of our product candidates are successful, but the FDA may not grant such priority review. Even if the FDA grants priority review for an NDA, the FDA may not meet the applicable review timelines or may elect to extend the timeframe for their review. Delays, resource constraints, and other disruptions at the FDA and other agencies may slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, the U.S. government has shut down several times in recent history and certain regulatory

agencies, including the FDA, had to furlough critical employees and stop critical activities. If a prolonged government shutdown occurs in the future, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Fast Track and Breakthrough Therapy designations from the FDA, PRIority Medicines, or PRIME, designation from the European Medicines Agency, or EMA, ILAP designation from the MHRA in the United Kingdom, or similar designations in other countries or regions do not necessarily lead to a faster development pathway or regulatory review process, and do not increase the likelihood of regulatory approval. For example, on August 4, 2023, the FDA issued a CRL related to the NDA for zuranolone for the treatment of MDD after previously granting both Fast Track and Breakthrough Therapy designations to zuranolone for MDD. The FDA may withdraw Fast Track designation or Breakthrough Therapy designation, and the EMA may withdraw PRIME designation, if the relevant agency believes that the designation is no longer supported by data from our clinical development programs. For example, in November 2023, the FDA rescinded Breakthrough Therapy Designation for zuranolone for the treatment of MDD.

The number of people with the diseases and disorders for which our products are indicated and for which our product candidates are targeted may be smaller than we expect or our other assumptions with respect to the potential markets for our products and product candidates may not be correct and the markets may be significantly smaller than we expect.

There is no precise method of establishing in any geography over any period of time the actual number of patients with the diseases and disorders for which our products are indicated and our product candidates are targeted. With respect to any indications for which we have developed, are developing, or plan to develop products and product candidates, we estimate the prevalence of the disease or disorder, and our estimates as to prevalence, including the assumptions we apply in determining our estimate, may not be accurate. In each case, there is a range of estimates in the published literature and in marketing studies, which include estimates within the range that are lower than our estimates. For example, our estimates of the prevalence of PPD are higher than estimates reported in some of the published literature and results obtained from certain studies analyzing claims databases and include women who have symptoms of PPD but have not been formally diagnosed with PPD or may not meet all of the diagnostic criteria. We believe these differences may be the result of variations in analytical methodologies and possibly under-diagnosis of PPD as a result of inadequate screening and under-reporting and some patients being reluctant to seek treatment in clinical practice. The actual number of women with PPD or any other indication for which we are pursuing or may elect to pursue development of our product candidates may, however, be significantly lower than we believe. Even if our prevalence estimates are correct, any approved product that we develop may only be indicated for or prescribed to and used by a subset of patients with the relevant disease or disorder. Our assumptions and estimates about the potential markets for ZURZUVAE and ZULRESSO for the treatment of women with PPD and for our other current and future product candidates in the indications we are or may pursue may not be accurate. In the event the number of patients with the diseases and disorders we are studying is significantly lower than we expect, we or our collaborators may have difficulties in enrolling patients in our clinical trials which may delay or prevent development of our product candidates. If our prevalence estimates with respect to any indication or our other market assumptions are not accurate, the markets for any approved product for these indications may be smaller than we anticipate, which could limit our revenues and our ability to achieve profitability or to meet our expectations with respect to the level and timing of revenues or profits.

Positive results from non-clinical studies and clinical trials of our product candidates are not necessarily predictive of the results of later non-clinical studies and clinical trials of our product candidates in the same indications or other indications. Interim results from non-clinical studies and clinical trials may not be predictive of results of such non-clinical studies or clinical trials once completed. If we cannot replicate the positive results from our earlier non-clinical studies and clinical trials of our product candidates in our later non-clinical studies and clinical trials in the same indications or other indications, or we cannot replicate our interim results in our completed non-clinical studies and clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize our product candidates.

Positive results from non-clinical studies and clinical trials of our product candidates may not necessarily be predictive of the results we or our collaborators may obtain from subsequent non-clinical studies or clinical trials using the same product candidate or other product candidates. We or our collaborators may find that our ongoing or future clinical

trials of dalzanemdor, SAGE-324 or any of our other current or future product candidates may fail to meet their primary endpoints. For example, in April 2024, we announced that the PRECEDENT Study evaluating dalzanemdor for the treatment of cognitive impairment in Parkinson's disease did not meet its primary endpoint, and our ongoing clinical trials of dalzanemdor for the treatment of cognitive impairment associated with Huntington's disease and Alzheimer's disease may also fail to meet their primary endpoints. Similarly, interim results from non-clinical studies and clinical trials may not be predictive of results of a non-clinical study or clinical trial once completed.

We or our collaborators may also observe safety issues in clinical trials or non-clinical studies of our product candidates that we or they did not observe or appreciate in earlier stage clinical studies or non-clinical studies, or a different rate or severity of events, including as a result of an increase in dosing or in frequency or duration of dosing, studying a different patient population or different indication than previously studied, or administering a product candidate with a concomitant medication. For example, in our ongoing dose-ranging study of SAGE-324, we are evaluating multiple doses, including the same maximum dose of SAGE-324 that we evaluated in prior studies. Any of these studies may result in unexpected adverse events or raise other safety issues or may otherwise generate negative results.

The results from non-clinical animal models may not be replicated in clinical trials. Many product candidates, including many targeting central nervous system disorders, with promising non-clinical profiles have failed to demonstrate similar safety, non-toxicity and efficacy in humans.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in earlier-stage development, and we cannot be certain that we will not face similar setbacks. Many drugs have failed to replicate efficacy and safety results in larger, longer or more complex later stage trials. Moreover, non-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in non-clinical studies and clinical trials nonetheless failed to obtain FDA approval. If we or our collaborators fail to produce positive results in our ongoing and planned non-clinical studies or clinical trials of any of our product candidates, the development timeline and regulatory approval and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

Failures or delays in the commencement, enrollment or completion of our ongoing and planned clinical trials of our current and future product candidates could cause us not to meet our expected timelines or result in increased costs to us, and could delay, prevent or limit our ability to gain regulatory approval of any such product candidate and to generate revenue from resulting products, if any.

Successful completion of clinical trials at each applicable stage of development is a prerequisite to submitting an NDA to the FDA or equivalent filings outside the U.S. and, consequently, the ultimate approval and commercial marketing of any of our product candidates for the indications in which we develop them. We do not know whether any of our ongoing clinical trials will be completed, and results announced, or whether future trials will begin, as planned or expected, if at all, as the commencement, enrollment and completion of clinical trials and announcement of results can be delayed or prevented for a number of reasons, including, among others:

- denial by the FDA or other regulatory authority of permission to proceed with our planned clinical trials or any other clinical trials we may initiate, or placement of one or more clinical trials on full or partial clinical hold;
- delay or inability to satisfy the requirements of the FDA to commence clinical trials, including chemistry, manufacturing and control, or CMC, requirements, or to file or receive approvals of additional investigational new drug applications, or INDs, that may be required;
- delay or inability to satisfy the requirements for clinical trials conducted in the European Union, or EU, if applicable, pursuant to Regulation (EU) No 536/2014, or the EU Clinical Trials Regulation;
- negative or inconclusive results from our ongoing non-clinical studies or clinical trials;
- challenges in identifying, recruiting, enrolling and retaining patients to participate in clinical trials;
- challenges in qualifying and activating clinical trial sites, including due to capacity and resource constraints and attrition at sites, and potential delays at clinical trial sites;

- general political and economic conditions, including as a result of future pandemics or other global health crises or bank failures;
- delays in reaching or failing to reach agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites, or failures or problems by CROs or clinical trial sites in executing their activities under such agreements;
- inadequate quantity or quality of supplies of a product candidate or other materials necessary to conduct clinical trials;
- difficulties obtaining Institutional Review Board, or IRB, approval, and equivalent approval for sites outside the U.S., to conduct a clinical trial at a prospective site or sites;
- delays or problems in analyzing data, or the need for additional analysis or data or the need to enroll additional patients;
- the occurrence of serious adverse events or unexpected drug-related side effects experienced by patients in a clinical trial or unexpected results in ongoing non-clinical studies;
- delays in validating endpoints utilized in a clinical trial or the impact of changes in trial design or analysis plans;
- the FDA or applicable regulatory authorities outside the U.S. disagreeing with our clinical trial design and our interpretation of data from clinical trials, or changing the requirements for approval even after the regulatory authority has reviewed and commented on the design for our clinical trials or delays caused by the need or desire for engagement with the FDA or applicable regulatory authorities; and
- reports from non-clinical or clinical testing of other therapies that raise safety or efficacy concerns.

In addition, a clinical trial may be suspended or terminated by us, the FDA or other regulatory authorities, the IRB or ethics committee, or EC, at the sites where the IRBs or ECs are overseeing a clinical trial, or recommended for termination or suspension by a data and safety monitoring board overseeing the clinical trial at issue or other regulatory authorities due to a number of factors, including, among others:

- failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;
- inspection of the clinical trial operations or trial sites by the FDA or other regulatory authorities that reveals deficiencies or violations that require us to undertake corrective action, including the imposition of a partial or full clinical hold;
- unforeseen safety issues, including any that could be identified in our ongoing non-clinical studies, or adverse side effects or lack of effectiveness identified in ongoing clinical trials;
- changes in government regulations or administrative actions; and
- problems with clinical supply materials.

Additionally, changes in regulatory requirements, guidance or unanticipated events during our non-clinical studies and clinical trials or other reasons may cause us or our collaborators to amend non-clinical studies and clinical trial protocols or the applicable regulatory authorities may impose additional non-clinical studies and clinical trial requirements. Amendments or changes to clinical trial protocols would require resubmission to the FDA and IRBs for review and approval, which may adversely impact the cost, timing or successful completion of clinical trials. If we or our collaborators experience delays completing, or if we or our collaborators terminate, any of our non-clinical studies or clinical trials, or if we or our collaborators are required to conduct additional non-clinical studies or clinical trials, the development pathway, and ultimately the commercial prospects, for our product candidates may be harmed and our ability to generate product revenue from resulting products, if any, will be delayed.

Finally, if we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may be impacted. For example, in December 2022, with the passage of Food and Drug Omnibus Reform Act, Congress required sponsors to develop and submit a diversity action

plan for each Phase 3 clinical trial or any other "pivotal study" of a new drug or biological product. These plans are meant to encourage the enrollment of more diverse patient populations in late-stage clinical trials of FDA-regulated products. Similarly, the regulatory landscape related to clinical trials in the EU has evolved. The EU Clinical Trials Regulation, or CTR, which was adopted in April 2014 and repeals the EU Clinical Trials Directive, became applicable on January 31, 2022. While the EU Clinical Trials Directive required a separate clinical trial application to be submitted in each member state, to both the competent national health authority and an independent ethics committee, the CTR introduced a centralized process and only requires the submission of a single application to all member states concerned. If we are not able to fulfill these new requirements, our ability to conduct clinical trials may be delayed or halted.

We or our collaborators may never seek or receive regulatory approval to market any of our products or product candidates outside of the U.S., or receive pricing and reimbursement outside the U.S. at acceptable levels.

We or our collaborators may not seek, or may seek but never receive, regulatory approval to market our products or product candidates outside of the U.S. or in any particular country or region. In order to market any product outside of the U.S., we or our collaborators must establish and comply with the numerous and varying safety, efficacy and other regulatory requirements of other countries. Approval procedures vary among countries and can involve additional non-clinical studies or clinical trials, additional work related to manufacturing and analytical testing on controls, and additional administrative review periods. The time required to obtain approvals in other countries might differ from that required to obtain FDA approval. Marketing approval in one country does not ensure marketing approval in another, but a failure or delay in obtaining marketing approval in one country may have a negative effect on the regulatory process in other countries. The marketing approval processes in other countries may implicate all of the risks detailed above regarding FDA approval in the U.S. as well as other risks. In particular, in many countries outside of the U.S., products must receive pricing and reimbursement approval before the product can be commercialized. Obtaining this approval may require additional studies and data, and can result in substantial delays in bringing products to market in such countries and such investment may not be justified from a business standpoint given the market opportunity or level of required investment. Even if we or our collaborators generate the data and information which we or our collaborators believe may be sufficient to file an application for regulatory approval of any of our products or product candidates in a region or country outside the U.S., the relevant regulatory agency may find that we or our collaborators did not meet the requirements for approval, or even if our application is approved, we may have significant post-approval obligations.

Even if we or our collaborators are able to successfully develop our product candidates and obtain marketing approval in a country outside the U.S., we or they may not be able to obtain pricing and reimbursement approvals in such country at acceptable levels or at all, and any pricing and reimbursement approval we or they may obtain may be subject to onerous restrictions such as caps, rebates or other hurdles or restrictions on reimbursement. Failure to obtain marketing and pricing approval in countries outside the U.S. without onerous restrictions or limitations related to pricing, or any delay or other setback in obtaining such approval, would impair our ability or that of our collaborators to market our product candidates successfully or at all in such foreign markets. Any such impairment would reduce the size of our potential market or revenue potential, which could have a material adverse impact on our business, results of operations and prospects.

Any setback or delay in obtaining regulatory approval or commencing marketing, if approved, for our product candidates in a country or region outside the U.S. where we or our collaborators have decided it makes business sense to proceed may have a material adverse effect on our business and prospects.

We rely completely on third-party suppliers to manufacture commercial supplies of our products and clinical drug supplies for our product candidates, and we intend to rely on third parties to produce non-clinical, clinical and commercial supplies of our products and product candidates in the future.

We do not currently have, nor do we plan to acquire or develop, the infrastructure or capability internally to manufacture supplies of ZURZUVAE or ZULRESSO for commercial use, including if we eventually obtain regulatory approvals in additional indications, or any of our other existing or future product candidates, for use in the conduct of our clinical trials and non-clinical studies or for future commercial use, and we rely completely on third-party suppliers for both active drug substances and finished drug products.

We rely on our contract manufacturers to manufacture sufficient quantities of ZURZUVAE active drug substance, finished drug product and packaged and labeled product. We also rely on our contract manufacturers for commercial supplies of active drug substance, finished drug product and packaged and labeled product with respect to ZULRESSO. We also rely on our contract manufacturers to manufacture sufficient quantities of our product candidates for ongoing and planned clinical trials and non-clinical studies and expect to rely on them to scale our manufacturing processes for future clinical trials, if our development efforts are successful.

We expect our contract manufacturers to comply with current Good Manufacturing Practices, or cGMPs, in the manufacture of our products. The facilities used by our contract manufacturers to manufacture the active pharmaceutical ingredient and final drug product must typically complete a pre-approval inspection by the FDA and other comparable foreign regulatory agencies to assess compliance with applicable requirements, including cGMPs, after we submit the relevant NDA or equivalent foreign regulatory submission to the applicable regulatory agency. Contract manufacturers are subject to inspections by the FDA. If the FDA were to identify deficiencies in connection with the inspections of our contract manufacturers for our products or any of our product candidates, the FDA could issue a Form 483 documenting these deficiencies and require that we provide and comply with a corrective action plan, which could impact our ability to supply product or any of our product candidates. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or applicable foreign regulatory agencies, and pass regulatory inspections, on the timelines we expect or at all, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities with respect to our products.

In addition, we have no direct control over our contract manufacturers' ability to maintain adequate quality control, quality assurance and qualified personnel. Furthermore, all of our third-party contract manufacturers are engaged with other companies to supply and/or manufacture materials or products for such companies, which exposes our third-party contract manufacturers to regulatory risks for the production of such materials and products. As a result, failure to satisfy the regulatory requirements for the production of those materials and products may affect the regulatory clearance of our contract manufacturers' facilities generally. If the FDA or an applicable foreign regulatory agency determines now or in the future that these facilities for the manufacture of our products and product candidates are noncompliant, we may need to find alternative manufacturing facilities, which would significantly adversely delay or impact our commercialization efforts for any approved product and our ability to develop and obtain regulatory approval for our product candidates. Our reliance on contract manufacturers also exposes us to the possibility that they, or third parties with access to their facilities, will have access to and may appropriate our trade secrets or other proprietary information. Also, if a natural disaster were to interrupt or halt production of our drug substance or drug product at one of our third-party contract manufacturers, or cause the loss of batches, we could encounter a supply shortage or face significant costs to rebuild our supply.

We have a long-term supply agreement with our contract manufacturer for ZURZUVAE drug product. We have long-term supply agreements with our contract manufacturers with respect to ZULRESSO drug substance and drug product. We have an inventory of ZURZUVAE and ZULRESSO drug product and drug substance in place to help mitigate any potential supply risks, but there is no guarantee that this inventory will be adequate. We do not have arrangements in place for either long-term supply or redundant supply of drug substance or drug product for SAGE-324 or dalzanemdor. Each batch of drug substance and drug product for our product candidates is individually contracted through a purchase order governed by master service and quality agreements.

If our existing contract manufacturing organizations, or CMOs, for our product candidates are not willing to enter into long-term supply agreements, or are not willing or are unable to supply drug substance or drug product to us, we could be required to engage new contract manufacturers who would need to scale up the manufacturing process before we would be able to use the drug product or drug substance they manufacture for clinical trials or for future commercialization, if we are successful and gain approval. In addition, any contract manufacturer will need to complete validation batches, pass an inspection by the FDA and other applicable foreign regulatory agencies, and be approved by regulatory authorities as our manufacturer before we would be able to use drug product or drug substance they manufacture for commercial purposes, which could result in significant delays or gaps in product availability. We plan to continue to rely upon contract manufacturers to manufacture commercial quantities of ZURZUVAE and ZULRESSO and of any future products that may be approved. If we are unable to maintain arrangements for third-party manufacturing, or are unable to do so on commercially reasonable terms, or are unable to obtain timely regulatory approvals in connection with our contract manufacturers, we may not be able to successfully commercialize any approved product, including ZURZUVAE and ZULRESSO, or successfully complete development of our current or future product candidates.

ZURZUVAE or any of our other current or future products or product candidates, if our ongoing development efforts are successful, may not achieve broad market acceptance or reimbursement at sufficient levels, which would limit the revenue that we generate from sales.

The commercial success of ZURZUVAE in the U.S. for the treatment of women with PPD, or of any of our current or future products or product candidates, if successfully developed and approved by the FDA or other applicable regulatory authorities, will depend upon the awareness and acceptance among healthcare professionals, patients, policy-makers and healthcare payors, and reimbursement at sufficient levels.

The availability of coverage and adequacy of reimbursement is essential for most patients to be able to access and afford treatments. Patients who are prescribed medications for the treatment of their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Government authorities, including the Centers for Medicare & Medicaid Services, or CMS, an agency within the Department of Health and Human Services, or HHS, in the U.S., and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels for those medications. Cost containment is a primary concern in the U.S. healthcare industry and elsewhere. Government authorities and these third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Payors may adopt restrictions on coverage for any of our products, including ZURZUVAE, such as requiring patients to try other lower cost therapies prior to reimbursing our product, requiring patients to meet certain severity levels on measurements scales or other criteria more restrictive than the approved label for our product, or requiring other onerous and time-consuming forms of utilization management, such as prior authorization procedures, or they may limit the amount of reimbursement. These restrictions or limitations might impede appropriate use of our product for the approved indication. Some payors currently require that healthcare professionals attest that the women with PPD for whom they have prescribed ZURZUVAE have severe symptoms. Restrictions and limitations on reimbursement or delays in obtaining coverage may vary significantly among payors and payor types. As a result, there is uncertainty related to third-party payor coverage and reimbursement of ZURZUVAE, given the early phase of its commercialization, or any of our product candidates, if successfully developed and approved. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is a covered benefit under its health plan; safe, effective and medically necessary; appropriate for the specific patient; cost-effective; and neither experimental nor investigational. Regulatory approvals, pricing and reimbursement for drug products vary widely from country to country.

The inability of us or our collaborators to promptly obtain and maintain coverage and adequate reimbursement rates from both government-funded and private payors for ZURZUVAE for the treatment of women with PPD, and any other approved products that we develop could have a material adverse effect on our operating results, our ability to successfully commercialize our products, our ability to raise capital and our overall financial condition. Even if coverage is provided, we may not be able to realize a sufficient return on our investment, including as a result of restrictions on the type of coverage that is achieved or because we are unable to establish or maintain sufficient pricing.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor can be an expensive and time-consuming process that could require us to provide supporting scientific, clinical and cost effectiveness data for the use of our products to the payor. The industry competition to be included in third-party payors' drug formularies, or lists of medications for which third-party payors provide coverage and reimbursement, often leads to downward pricing pressures on pharmaceutical products. In addition, third-party payors may refuse to include a particular branded drug in their formularies or otherwise restrict patient access to a branded drug when a less costly generic equivalent or other alternative is available. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors, and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the U.S. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price and best price. Penalties may apply when such metrics are not submitted accurately and on a timely basis. Before granting reimbursement approval, payors may require us to demonstrate, directly or indirectly, that our product candidates, in addition to treating the target indications, also provide incremental health benefits to patients or healthcare costs savings. We cannot be sure that adequate coverage or

reimbursement will be available for ZURZUVAE, ZULRESSO or any product candidate that we or our collaborators may successfully develop and commercialize or that coverage will be available on reasonable terms.

Market acceptance for any of our approved products and any product candidates that we successfully develop will depend on a number of factors, including, among others:

- the efficacy and safety of our products as demonstrated in clinical trials or in real world use;
- the potential and perceived advantages and limitations of our products over current or future alternative treatment options, including in the case of ZURZUVAE and ZULRESSO for the treatment of women with PPD, the availability of lower cost antidepressants;
- the incidence and severity of any side effects of the products;
- limitations or warnings contained in the labeling approved for our products by the FDA or other applicable regulatory authorities, such as the boxed warning for ZURZUVAE related to driving impairment and other warnings, precautions and risks identified in the label;
- the clinical indications and size of patient populations for which our products are approved;
- the convenience, benefit, ease and availability of alternative treatments already approved or expected to be commercially launched in the near future;
- the willingness of the target patient population to try new therapies and of healthcare professionals to prescribe these therapies, and our ability to increase awareness of our approved products through marketing efforts;
- the strength and effectiveness of our sales, marketing and distribution strategies and support or that of our collaborators;
- publicity concerning our products or competing products and treatments;
- pricing and cost effectiveness; or
- the availability of sufficient third-party coverage or reimbursement, the nature and complexity of restrictions on coverage, and the willingness of patients to pay out-of-pocket in the absence of such coverage or reimbursement.

Our efforts to change the treatment paradigm for a given disorder or to educate the medical community and third-party payors about the benefits of any current or future products, to the extent permitted, including ZURZUVAE for the treatment of women with PPD, may require significant resources and may never be successful. If ZURZUVAE, or any of our other current or future products or product candidates, if successfully developed and approved by the FDA or other applicable regulatory authorities, does not achieve an adequate level of acceptance by patients, healthcare providers, and payors, or reimbursement at reasonable levels and without significant or complex restrictions, or if the patient population for which any such product is approved is smaller than we expect, we may not generate sufficient revenue from our products to become or remain profitable or to adequately fund operations or may not do so to the degree or on the timelines we expect.

Even if marketing approval is granted for a product, we may face significant post-marketing obligations and future development and regulatory difficulties.

Regulatory authorities may impose significant and potentially costly post-marketing obligations with respect to approval of any product, including post-marketing studies, additional CMC work and additional pediatric studies. For example, the FDA has imposed post-marketing commitments with respect to approval of ZULRESSO and ZURZUVAE, and we may encounter issues or delays in the conduct of these post-marketing commitments or we may generate unexpected results. For ZURZUVAE, the FDA is requiring two post-marketing studies: a pharmacokinetic and safety study in adolescent females who have completed puberty and an embryofetal toxicity study in a second species.

In the event we or our collaborators elect, or are required, to proceed with pediatric studies of any of our product candidates in any indication, regulatory authorities may also require additional non-clinical studies or clinical trials be completed prior to commencement of such pediatric studies.

As was the case with zuranolone and brexanolone, the FDA may recommend controlled substance scheduling for our current or future product candidates. If products are determined to be controlled substances, the manufacturing, shipping, storing, selling and using of the products will be subject to an additional regulation. Distribution, prescribing and dispensing of these drugs are also regulated. Because of their restrictive nature, these laws and regulations could limit commercialization of our product candidates containing controlled substances. Failure to comply with these laws and regulations could also result in withdrawal of our DEA registrations, disruption in manufacturing and distribution activities, consent decrees, criminal and civil penalties and state actions, among other consequences. The DEA regulates controlled substances as Schedule I, II, III, IV or V substances. Schedule I substances by definition have no established medicinal use, and may not be marketed or sold in the U.S. A pharmaceutical product may be listed as Schedule II, III, IV or V, with Schedule II substances considered to present the highest risk of abuse and Schedule V substances the lowest relative risk of abuse among such substances. ZURZUVAE (zuranolone) and ZULRESSO (brexanolone) are currently regulated as a Schedule IV controlled substances. Other Schedule IV controlled substances include sedative hypnotics such as benzodiazepines.

ZURZUVAE and ZULRESSO are, and any future approved products will also be, subject to ongoing FDA requirements governing the labeling, packaging, storage and promotion of the product and record-keeping and submission of safety and other post-market information. The FDA has significant post-marketing authority, including, for example, the authority to require labeling changes based on new safety information and to require post-marketing studies or clinical trials to evaluate serious safety risks, safety and efficacy in pediatric populations or alternate doses or dose regimens.

The FDA also has the authority to require, as part of an NDA or post-approval, the submission of a REMS. For example, the FDA has required a REMS for ZULRESSO. Any REMS required by the FDA may lead to increased costs to assure compliance with the REMS and with additional post-approval regulatory requirements and potential requirements or restrictions on the sale of approved products, all of which could lead to lower sales volume and revenue. In addition, if we are unable to comply with the ZULRESSO REMS or any REMS imposed for a future product, we may face additional restrictions, limitations or substantial penalties, any of which may materially adversely affect our business and results of operations.

We, our collaborators and the third-party manufacturers of our drug substance and drug products and our respective facilities are subject to extensive regulations in the manufacture of our products and product candidates, including GMP, and are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with GMPs and other regulations. If we, our collaborators or a regulatory agency discover problems with our approved products or product candidates such as poor control of production processes or other problems with the facility where our products are manufactured or in the manufacturing process, introduction of contaminants, or adverse events of unanticipated severity or frequency, a regulatory agency may impose restrictions on our products, the manufacturer or us or our collaborators, including requiring withdrawal of such products from the market or suspension of manufacturing. If we, our collaborators, our approved products, our product candidates, or the manufacturers for our products or product candidates fail to comply with applicable regulatory requirements, a regulatory agency may, among other things:

- issue warning letters or untitled letters;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw marketing approval;
- suspend any ongoing clinical trials;
- refuse to approve pending applications or supplements to applications submitted by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, refuse to permit the import or export of products, or require that we initiate a product recall.

Competing therapies may exist or could emerge that adversely affect the amount of revenue we are able to generate from the sale of ZURZUVAE, ZULRESSO, or any of our other current or future product candidates, if successfully developed and approved.

The biopharmaceuticals industry is highly competitive. There are many public and private companies, universities, governmental agencies and other research organizations actively engaged in the research and development of products that may be similar to our products or product candidates or address similar markets. It is probable that the number of companies seeking to develop products and therapies similar to our products or targeting similar indications will increase. Many of our potential competitors, alone or with their strategic partners, have substantially greater financial, technical and human resources than we do, and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of treatments and the commercialization of those treatments. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. We expect competition in the indications we are pursuing will focus on efficacy, safety, convenience, availability, and price. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are perceived to be safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop.

Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

Currently, the only pharmacological therapies specifically approved for the treatment of PPD are ZURZUVAE and ZULRESSO. ZURZUVAE and ZULRESSO both compete with the current standard of care for PPD which commonly consists of psychotherapy; however, patients with moderate or severe symptoms of PPD are often prescribed antidepressant medications such as selective serotonin reuptake inhibitors, or SSRIs, and serotonin and norepinephrine reuptake inhibitors, or SNRIs. We expect that the commercial availability of ZURZUVAE will further limit our commercial opportunity for ZULRESSO. In addition, ZULRESSO and ZURZUVAE may also face competition from drugs currently in development, if successfully developed and approved in the future for the treatment of PPD, including potentially LPCN 1154, an oral formulation of the neuroactive steroid brexanolone under development by Lipocine, Inc. under the streamlined 505(b)(2) regulatory pathway, which allows for approval of an abbreviated NDA by the FDA, and BRII-296, an intramuscular formulation of brexanolone being developed by Brii Biosciences.

If approved in the future for the treatment of MDD, zuranolone may also face competition as patients with MDD are typically treated with a variety of low-cost antidepressant medications, including SSRIs, SNRIs and atypical antipsychotics. Zuranolone, if approved in the future for the treatment of MDD, may also face competition from AXS-05, a combination formulation of an NMDA receptor antagonist, dextromethorphan, with bupropion approved for the treatment of MDD in adults and esketamine, which is approved for the treatment of treatment-resistant depression and depressive symptoms in adults with MDD with acute suicidal ideation or behavior, and from cariprazine, which has been approved for the adjunctive treatment of MDD in patients who are receiving ongoing antidepressant therapy. A number of other companies are developing product candidates intended for the treatment of MDD.

In the field of neuroactive steroids focused specifically on modulation of $GABA_A$ receptors, we also face competition from a number of companies, including Marinus Pharmaceuticals, Inc., which received FDA approval of ganaxolone, a known $GABA_A$ positive allosteric modulator neuroactive steroid, to treat seizures associated with CDKL5 deficiency disorder, a rare, genetic epilepsy. Other $GABA_A$ competitors include darigabat, which is being developed by Cerevel Therapeutics, Inc. for the treatment of epilepsy and panic disorder.

SAGE-324, a novel $GABA_A$ receptor positive allosteric modulator, is in Phase 2 development for essential tremor. If successfully developed and approved as a treatment for essential tremor, SAGE-324 will face competition from current first-line treatments which include β-adrenergic blocker propranolol and anticonvulsant primidone. Other companies are also developing potential treatments for essential tremor, including a Phase 3 T-type calcium channel modulator being developed by Praxis Precision Medicines, Inc. and a T-type calcium channel modulator that Jazz Pharmaceuticals, Inc. is currently evaluating in Phase 2b development.

Dalzanemdor is an oxysterol-based positive allosteric modulator of the NMDA receptor, which we are exploring in certain cognition-related disorders associated with NMDA receptor dysfunction, including cognitive impairment associated with diseases such as Huntington's disease and Alzheimer's disease. A number of other companies are working to develop products to treat Huntington's disease. In addition, several companies have developed or are developing products for the treatment of Alzheimer's disease.

Our existing collaborations with Biogen and Shionogi, and any future collaborations, may not lead to the successful development or regulatory approval of product candidates or commercialization of products. Our collaborators may have competing priorities, conflicting incentives, or different views than us on key decisions, including regulatory, development, or commercialization strategy or appropriate program spending, that may hamper or delay our development and commercialization efforts or increase our costs. Our business may be adversely affected and we may be subject to delays, disputes, or litigation if we and any of our collaborators disagree significantly, if any of our collaborators fails to perform its obligations or terminates our collaboration in whole or in part, or if we are not able to establish future collaborations that we believe to be important to our business on commercially reasonable terms.

Our drug development programs, the commercialization of ZURZUVAE for the treatment of women with PPD, and any potential commercialization of our product candidates will require substantial additional cash to fund expenses. For some of our product candidates, we may decide to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates in some or all markets.

We and our collaboration partner Biogen achieved regulatory approval in the U.S. of ZURZUVAE for the treatment of adults with PPD, and have launched ZURZUVAE for that indication. Our collaboration with Biogen may not lead to successful commercialization of ZURZUVAE in the U.S. Our existing and future collaborations, if any, may also not lead to the successful development and commercialization of ZURZUVAE in other indications or territories or of any other products. Our collaborators face both the same challenges and hurdles that we would face in the development and commercialization of product candidates if we were engaged in the activities solely ourselves, as well as additional challenges related to operating under a collaboration. The efforts under our existing collaborations may not be successful and we may never receive any additional milestone payments, profit-share revenue or royalty payments from Biogen or Shionogi. For example, while ZURZUVAE was approved for the treatment of adults with PPD in the U.S., the FDA issued a CRL to the NDA for zuranolone for the treatment of MDD in the U.S. Although we may become eligible to earn certain milestone payments in connection with our collaborations, we may never meet such milestones or actually receive such milestone payments.

In addition, under most collaborations, including our existing collaborations, a certain degree of control in decision-making is transferred to or shared with our collaborators. Our collaborators may use their decision-making authority to make decisions that could delay, decrease the potential of, or otherwise adversely impact, development of our product candidates or commercialization of approved products. Similarly, where we share decision-making authority, the need to gain alignment on decisions may slow or impede advancement of our programs or commercialization of an approved product, and cause us not to be able to meet our timelines or achieve our goals. Our collaborators may have competing priorities or different incentives that cause them to divert resources away from our collaboration, or we may not agree on appropriate spending levels or regulatory, development or commercialization strategy, which could hamper our overall development and commercialization efforts or increase our overall spending. Our collaborators may independently develop, or develop with a competitor, competitive products or may believe that product candidates being evaluated in the collaboration could be competitive with the collaborator's own products. In the case of the collaboration with Biogen, both companies have agreed to certain exclusivity provisions for certain products in specified indications which may limit certain development opportunities outside the collaboration. In addition, if we depend on collaborators for capabilities and funding for major product development efforts or commercialization globally or in key territories then our business may be adversely affected if our collaborator fails to perform its obligations under the agreement or the collaboration terminates. Disputes may also arise with respect to the ownership of rights to technology or products developed with collaborators, which could have an adverse effect on our ability to develop and commercialize any affected product candidate.

Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators. We may not be able to negotiate additional collaborations on a timely basis, on acceptable terms, or at all.

We may not be successful in our efforts to identify or discover additional product candidates beyond our existing product candidates or to file investigational new drug, or IND, applications for clinical development of new compounds at the rate we expect, or we may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

The success of our business depends upon our and our collaborators' ability not only to successfully commercialize existing approved products but also to develop, gain approval of and commercialize products based on our current product candidates and to generate new compounds for development in the future and to successfully complete the non-clinical work necessary to file INDs to pursue clinical development of such new compounds. Our research programs may fail to generate new compounds that meet the standards for non-clinical development. Even if we are successful in generating such compounds, we may not be able to produce the non-clinical and other data necessary to support IND applications for clinical development, in each case in the number or at the rate we expect or at all for a number of reasons. For example, we may not be able to identify a sufficient number of new targets in areas of interest to us. Our research methodology may be unsuccessful in generating a sufficient number of new compounds appropriate for non-clinical testing in the target areas we identify. Even if we generate new compounds in areas of interest to us, we may determine that those compounds are not appropriate for non-clinical development, or we may generate data in non-clinical development that do not support IND filings for clinical development. We may not have, or devote, sufficient technical, financial, and human resources to our research efforts at the various stages needed to identify targets, generate compounds, conduct non-clinical studies and prepare INDs. Additional potential product candidates may be shown to have harmful side effects or may not have a positive risk/benefit profile or may have other characteristics that may make the product candidates not appropriate for further development or unlikely to receive marketing approval. Further, even if we generate new compounds in areas of interest, we may determine that those compounds are not worth pursuing for strategic reasons, including new legislation that may impact the viability of commercializing such compounds, if approved.

Because we have limited financial and management resources, we focus on a limited number of clinical and research programs and product candidates and are currently focused on certain brain health disorders. As a result, we may forego or delay pursuit of opportunities with certain product candidates or for other indications that later prove to have greater commercial potential. Research programs to identify new product candidates require substantial technical, financial and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful and may not yield any commercially viable drugs. Our resource allocation decisions may cause us to fail to capitalize on other viable opportunities. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights through future collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain such sole development and commercialization rights. If any of these events occur, it may have a material adverse effect on our business.

We rely, and expect that we will continue to rely, on third parties to conduct any clinical trials for our product candidates. If these third parties do not successfully carry out their contractual duties, comply with applicable standards and meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our products, if approved, and our business could be substantially harmed.

We do not have the ability to independently conduct clinical trials. We rely on medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct clinical trials of our product candidates. We enter into agreements with third-party CROs to provide monitors for and to manage data for our ongoing clinical trials. We rely heavily on these parties for execution of clinical trials for our product candidates and control only certain aspects of their activities. As a result, we have less direct control over the conduct, timing and completion of these clinical trials and the management of data developed through clinical trials than would be the case if we were relying

entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties and shortages, attrition of experienced staff, and other resource constraints;
- fail to comply with contractual obligations;
- fail to comply with current Good Clinical Practices, or GCPs, or experience other regulatory compliance issues;
- undergo changes in priorities or become financially distressed;
- misappropriate our intellectual property;
- form relationships with other entities, some of which may be our competitors; or
- be impacted by changes to the macroeconomic and geopolitical environment or disruptions arising from pandemics or other global heath crises, and the downstream effects of these changes or disruptions.

These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical trials, and may subject us to unexpected cost increases that are beyond our control. In addition, certain Chinese CROs that supply us with medicinal chemistry and drug metabolism research may become subject to trade restrictions, sanctions, and other regulatory requirements by the U.S. government, including the recently proposed BIOSECURE Act, any of which could restrict or even prohibit our ability to work with such entities, thereby potentially disrupting our research activities. Such disruption could have adverse effects on the development of our product candidates and our business operations.

Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements, and scientific standards, and our reliance on CROs does not relieve us of our regulatory responsibilities. We, clinical investigators, and our CROs are required to comply with regulations and guidelines, including GCPs, for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area, or EEA, and comparable foreign regulatory authorities for any product candidates in clinical development or where clinical trials are being conducted. If we or our CROs or contract manufacturers fail to comply with these regulations or if the quality or accuracy of the clinical data obtained is compromised due to the failure to adhere to our clinical protocols or other regulatory requirements or for other reasons, and we are unable to rely on clinical data collected, we may be required to repeat clinical trials or extend the duration of, or increase the size of our clinical trials or we may not be able to rely on the results of our clinical trials. This would delay the regulatory approval process, and could also subject us to enforcement action up to and including civil and criminal penalties. If any of our relationships with third-party CROs terminate or if a CRO needs to be replaced, we may not be able to enter into arrangements with alternative CROs in a timely manner or at all. Any of these issues could significantly delay or prevent regulatory approval of our product candidates and require significantly greater expenditures. In such an event, we believe that our financial results might be harmed, our costs could increase and our ability to generate revenue from products beyond ZULRESSO and ZURZUVAE, if successfully commercialized, could be delayed.

Our future success depends on our ability to attract, retain and motivate qualified personnel.

To accomplish our objectives, we require a strong management team with expertise in research and development, clinical development and commercialization. Although we have entered into employment agreements with each of our executive officers, each of them is employed "at will" and may terminate his or her employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees. Recruiting and retaining qualified personnel is critical to our success. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific personnel from universities and research institutions. Failure to succeed in commercializing approved products or in conducting clinical trials or in obtaining regulatory approval may make it more challenging to recruit and retain qualified personnel. If we are unable to continue to attract and retain high quality

personnel, our development efforts, commercialization activities, business, financial condition, results of operations and growth prospects could be adversely affected.

We face potential product liability exposure, and, if claims are brought against us, we may incur substantial liability.

The sale of ZURZUVAE, ZULRESSO, and any future approved products and the use of our product candidates in clinical trials will expose us to the risk of product liability claims. Product liability claims might be brought against us by patients, healthcare providers or others using, prescribing, selling or otherwise coming into contact with our products and product candidates. For example, we may be sued if any product or product candidate allegedly causes injury or is found to be otherwise unsuitable during clinical trials, manufacturing, marketing, sale or commercial use. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, including as a result of interactions with alcohol or other drugs, knowledge of risks, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection laws. If we become subject to product liability claims and cannot successfully defend ourselves against them, we could incur substantial liabilities. Regardless of merit or eventual outcome, product liability claims may result in, among other things:

- withdrawal of patients from our clinical trials, or difficulty in enrolling clinical trials;
- substantial monetary awards to patients or other claimants;
- decreased demand for our approved products;
- damage to our reputation and exposure to adverse publicity;
- increased FDA warnings on product labels;
- litigation costs;
- distraction of management's attention from our primary business;
- loss of revenue; and
- withdrawal of products from the market or our inability to successfully gain approval of product candidates.

We maintain product liability insurance coverage with a $20.0 million annual aggregate coverage limit. Nevertheless, our insurance coverage may be insufficient to reimburse us for any expenses or losses we may suffer. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses, including if insurance coverage becomes increasingly expensive. Large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial, particularly in light of the size of our business and financial resources. A product liability claim or series of claims brought against us could cause our stock price to decline and, if we are unsuccessful in defending such a claim or claims and the resulting judgments exceed our insurance coverage, our financial condition, business and prospects could be materially adversely affected.

If we fail to comply with our reporting and payment obligations under the Medicaid Drug Rebate Program or other governmental pricing programs, we could be subject to additional reimbursement requirements, penalties, sanctions and fines, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

The Medicaid Drug Rebate Program, which we participate in, and other governmental programs impose obligations to report pricing figures to the federal government, require us to pay rebates and participate in discount programs. Other programs impose limits on the price we or our collaborators are permitted to charge certain entities for ZURZUVAE, ZULRESSO, or for any future products for which we receive regulatory approval. Statutory and regulatory changes or binding guidance regarding these programs and their requirements could negatively affect the coverage and reimbursement by these programs of ZURZUVAE, ZULRESSO, or any future products for which we receive regulatory approval and could negatively impact our results of operations. Our failure to comply with these price reporting and rebate payment obligations could negatively impact our financial results. The Patient Protection and Affordable Care Act, as

amended, referred to herein as the ACA, and regulations promulgated thereunder could affect our obligations in ways we cannot anticipate.

Pricing and rebate calculations vary among products and programs. The calculations are complex and are often subject to interpretation by us, governmental or regulatory agencies and the courts. If we become obligated to restate or recalculate the amounts we report under these programs, our costs for complying with the laws and regulations governing the Medicaid Drug Rebate Program and our price discounts and rebates could be increased. Additionally, we could be held liable for errors associated with our submission of pricing data under the Medicaid Drug Rebate Program and other federal or state drug pricing programs, including retroactive rebates and program refunds, and if we are found to have knowingly submitted false average manufacturer price or best price information to the government, civil monetary penalties per item of false information. Certain failures to submit required data could result in a civil monetary penalty for each day the information is late beyond the due date and be grounds for CMS to terminate our Medicaid drug rebate agreement, pursuant to which we participate in the Medicaid program, or, if we fail to comply with 340B program requirements, the Health Resources and Services Administration, or HRSA, could decide to terminate our 340B program participation agreement. In the event that CMS terminates our rebate agreement or HRSA terminates our 340B program participation agreement, no federal payments would be available under Medicaid or Medicare Part B for our covered outpatient drugs. We are also subject to civil monetary and other penalties applicable to the drug pricing negotiation program and Part B and Part D inflation rebate programs, as discussed further below under the risk factor entitled "*Healthcare regulations aimed at reducing healthcare costs may have a material adverse effect on our business or results of operation*."

We are subject to other laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

We are subject to a number of healthcare and other statutory and regulatory requirements and enforcement by the federal government and the states and foreign governments in which we currently or may in the future conduct our business.

Our current or future interactions and arrangements with third-party payors, healthcare providers, patients, healthcare settings, and others who play a role in the recommendation, prescription, reimbursement and administration of ZURZUVAE and ZULRESSO, and will play a similar role with respect to any of our current or future product candidates, if successfully developed and approved, are governed in part by broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute ZURZUVAE or ZULRESSO or expect to market, sell and distribute any future approved products. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- The federal anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly (including any kickback, bribe or certain rebates), in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid. This statute has been interpreted to apply to arrangements between pharmaceutical companies on the one hand, and prescribers, purchasers and formulary managers, among others, on the other.
- The federal False Claims Act imposes criminal and civil penalties, including those from civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease, or conceal an obligation to pay money to the federal government, with potential liability including mandatory treble damages and significant per-claim penalties. Pharmaceutical companies have faced enforcement actions under the False Claims Act in connection with their alleged off-label promotion of drugs, purportedly concealing price concessions in the pricing information submitted to the government for government price reporting purposes, and allegedly providing free product to customers with the expectation that the customers would bill federal health care programs for the product, among other activities. In addition, the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the False Claims Act.

- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also imposes privacy, security and breach reporting obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information upon covered entities subject to the rule.
- The federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services.
- The federal transparency requirements, sometimes referred to as the "Sunshine Act", under the ACA require manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program to report to CMS information related to physician payments and other transfers of value made to physicians, certain non-physician providers, and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members.
- Analogous state laws and regulations, such as state anti-kickback and false claims laws and transparency laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures and drug pricing.
- Various federal and state health information and data protection laws and regulations, and similar types of laws outside the U.S., govern the collection, use, disclosure and protection of health-related and other personal information by us and our collaborators.

Ensuring that our future practices and business arrangements comply with applicable healthcare laws and regulations is costly. It is possible that governmental authorities will conclude that our business practices and arrangements do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our practices or operations, including activities conducted by our commercial team or other of our employees, consultants or vendors, were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines and exclusion from government funded healthcare programs, such as Medicare and Medicaid, any of which could substantially disrupt our operations and materially adversely affect our business and financial condition. We may also be substantially negatively impacted if governmental authorities conclude that the business practices of one of our collaborators does not comply with applicable laws. If any of the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

We and our employees are also subject to other statutes and regulations related to our business, including: regulations imposed by the FDA and applicable non-U.S. regulators, as previously discussed; anti-bribery and anti-corruption laws and regulations applicable to activities outside the U.S.; rules on reporting financial and other information or data timely and accurately; and rules related to insider trading.

Although we have adopted a code of conduct and have an active compliance program, it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure by our employees to comply with these laws or regulations.

Data collection is governed by restrictive regulations governing the use, processing, and cross-border transfer of personal information. Compliance with these regulations can be time-consuming and onerous. If we are found to have improperly handled personal information, we may become subject to fines and penalties, litigation and reputational harm.

We must comply with numerous federal, state and non-U.S. laws which govern the privacy and security of health and other personal information. As described above, to the extent applicable to our business activities, HIPAA imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information. In addition, when we conduct clinical trials in the U.S., any personal information that is collected in connection with these trials also is regulated by the Federal Policy for the Protection of Human Subjects (the Common Rule) which creates obligations for our company when conducting these trials.

We plan to enroll subjects in our ongoing or future clinical trials in the EU or other countries. When we do so, we may be subject to additional privacy restrictions, including restrictions relating to the collection, use, storage, transfer, and other processing of personal data, including personal health data, regarding these individuals. Clinical trial activities in the EEA, for example, are governed by the General Data Protection Regulation, or GDPR, in relation to the processing of personal data. The GDPR imposes several requirements on companies that process personal data, strict rules on the transfer of personal data out of the EEA, including to the U.S., and fines and penalties for failure to comply with the requirements of the GDPR and the related national data protection laws of the EU Member States. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR in some situations. The obligations under the GDPR may be onerous and adversely affect our business, financial condition, results of operations and prospects. Compliance with the GDPR is a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with any European activities, including processing of personal data originating from the EU. The issues related to the transfer of personal data are subject to substantial uncertainty at this time, and there can be no reasonable level of confidence that any such data transfers will be found to be consistent with EU law if they are challenged. The exit of the United Kingdom, or UK, from the EU, often referred to as Brexit, has created uncertainty with regard to future data protection regulation in the UK. The European Commission has adopted an adequacy decision concerning the level of data protection in the UK. Personal data may now flow freely from the EEA to the UK; however, the European Commission may suspend the adequacy decision if it decides that the UK no longer provides for an adequate level of data protection. Similar laws exist in many other countries around the world, and these laws (which are evolving and expanding) create complicated and potentially inconsistent obligations that may impact our business.

We are also subject to the California Consumer Privacy Act, or CCPA, which creates individual privacy rights for California consumers (as defined in the law) and places increased privacy and security obligations on entities handling personal data of consumers or households. While there is currently an exception for protected health information that is subject to HIPAA and clinical trial regulations, as currently written, the CCPA may impact our business activities. The CCPA also has been amended through a recent referendum in California that creates additional obligations that went into effect on January 1, 2023. In November 2020, California voters approved the California Privacy Rights Act, or CPRA, ballot initiative which introduced significant amendments to the CCPA and established and funded a dedicated California privacy regulator, the California Privacy Protection Agency, or the CPPA. New implementing regulations will be issued under the CPRA that may lead to new or additional obligations for us. Failure to comply with the CCPA may result in, among other things, significant civil penalties and injunctive relief, or statutory or actual damages. In addition, California residents have the right to bring a private right of action in connection with certain types of incidents. These claims may result in significant liability and damages. In addition to California, at least eleven other states have passed comprehensive privacy laws similar to the CCPA. These laws are either in effect or will go into effect sometime before the end of 2026. Like the CCPA, these laws create obligations related to the processing of personal information, as well as special obligations for the processing of "sensitive" data, which includes health data in some cases. Some of the provisions of these laws may apply to our business activities. Other states will be considering similar laws in the future. There are also states that are specifically regulating health information that may affect our business. For example, Washington state recently passed a health privacy law that will regulate the collection and sharing of health information, and the law also has a private right of action. Connecticut and Nevada have also passed similar laws regulating consumer health data and other states likely will consider similar legislation in 2024 and beyond.

In addition, there are substantial efforts at the federal level to pass a national data privacy law that may impact our business activities. The uncertainty, ambiguity, complexity and potential inconsistency surrounding the implementation and interpretation of CCPA and other enacted or potential laws in other states and at the federal level exemplify the

vulnerability of our business to the evolving regulatory environment related to the privacy, security and confidentiality of personal data and protected health information. We may be subject to fines, penalties, or private actions in the event of non-compliance with such laws. These laws may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of our products. We have implemented processes to manage compliance with the CCPA and continue to assess the impact of the CPRA, and other federal and state legislation, on our business as additional information and guidance becomes available.

In addition to the foregoing, any breach of privacy laws or data security laws, particularly resulting in a significant security incident or breach involving the misappropriation, loss or other unauthorized use or disclosure of sensitive or confidential patient or consumer information, could have a material adverse effect on our business, reputation and financial condition. As a data controller, we will be accountable for any third-party service providers we engage to process personal data on our behalf, including our CROs. There is no assurance that privacy and security-related safeguards we implement will protect us from all risks associated with the third-party processing, storage and transmission of such information. In certain situations, both in the U.S. and in other countries, we also may be obligated as a result of a security breach to notify individuals and/or government entities about these breaches.

Additionally, in October 2022, President Joe Biden signed an executive order to implement the EU-U.S. Data Privacy Framework, which would serve as a replacement to the EU-U.S. Privacy Shield. The European Union initiated the process to adopt an adequacy decision for the EU-U.S. Data Privacy Framework in December 2022 and the European Commission adopted the adequacy decision on July 10, 2023. The adequacy decision will permit U.S. companies who self-certify to the EU-U.S. Data Privacy Framework to rely on it as a valid data transfer mechanism for data transfers from the European Union to the United States. However, some privacy advocacy groups have already suggested that they will be challenging the EU-U.S. Data Privacy Framework. If these challenges are successful, they may not only impact the EU-U.S. Data Privacy Framework, but also further limit the viability of the standard contractual clauses and other data transfer mechanisms. The uncertainty around this issue may impact our activities with companies in the EU, and any potential future business operations in the EU.

The FDA and other regulatory and enforcement agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. If we are found to have improperly promoted off-label uses, we may become subject to significant liability.

The FDA and other regulatory and enforcement agencies strictly regulate the promotional claims that may be made about prescription products, and enforce laws and regulations prohibiting the promotion of unapproved, or "off-label" uses. In particular, a product may not be promoted for uses that are not approved by the FDA or such other regulatory agencies as reflected in the approved labeling of the product. For example, ZURZUVAE is approved in the U.S. for the treatment of adults with PPD only and may not be promoted for any uses that are not approved by the FDA, including MDD. If we are found to have promoted off-label uses for any product, we may become subject to significant liability. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has taken steps to restrict promotional activities of those companies. Pharmaceutical companies have also been prosecuted and incurred significant civil, criminal and administrative penalties, damages, fines under the False Claims Act in connection with their alleged off-label promotion of drugs. Any promotion of the off-label use of ZURZUVAE, ZULRESSO, or any of our other products by us or any of our employees could subject us to significant liability, which would materially adversely affect our business and financial condition.

Our future growth may depend, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens, price controls, reimbursement issues and other risks and uncertainties, and could negatively impact our U.S. business.

Our future profitability may depend, in part, on our ability, ourselves or through our collaborators, to commercialize our products and product candidates in foreign markets.

The pricing of prescription pharmaceuticals in foreign markets is subject to foreign governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of regulatory approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidates to other available therapies. If reimbursement

of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our ability to generate revenues and become profitable could be impaired.

In some countries, including Member States of the EU, the pricing of prescription drugs is subject to governmental control. Additional countries may adopt similar approaches to the pricing of prescription drugs. There can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after coverage and reimbursement have been obtained. Reference pricing used by various countries and parallel distribution, or arbitrage between low-priced and high-priced countries, can further reduce prices. In the U.S., recent legislative and administrative policies and proposals signal a desire to lower drug prices in the U.S. As a result, we or our collaborators outside the U.S. in the future may be limited in the prices we are able to charge for our products in the U.S. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if reimbursement of our products is unavailable or limited in scope or amount, our revenues from sales by us or our collaborators and the potential profitability of our products in those countries would be negatively affected.

Commercializing our products and product candidates in foreign markets would subject us to additional risks and uncertainties, including:

- our inability to directly control commercial activities to the extent we are relying on third parties;
- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements, including the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;
- longer accounts receivable collection times;
- reduced protection of intellectual property rights, and the existence of additional potentially relevant third-party intellectual property rights, in some foreign countries; and
- foreign currency exchange rate fluctuations.

Foreign sales of our product candidates could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs. For example, Brexit has already and may continue to adversely affect European and/or worldwide regulatory conditions. Brexit could continue to lead to legal uncertainty and potentially divergent national laws and regulations in the EU and the United Kingdom, including those related to the pricing of prescription pharmaceuticals, as the United Kingdom determines which EU laws to replicate or replace, which could impair our ability to transact business in the EU and the United Kingdom in the future, if we elect to seek to commercialize any of our products there.

Risks Related to Our Intellectual Property Rights

If we are unable to adequately protect our proprietary technology, or obtain and maintain issued patents that are sufficient to protect our product candidates, others could compete against us more directly, which would have a material adverse impact on our business, results of operations, financial condition and prospects.

We strive to protect and enhance the proprietary technologies that we believe are important to our business, including seeking patents intended to cover our products and compositions, their methods of use and any other inventions that are important to the development of our business. We may also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our business; defend and enforce our patents, should they issue; preserve the confidentiality of our trade secrets; and operate without infringing the valid and

enforceable patents and proprietary rights of third parties. We also rely on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain the proprietary position of our product candidates.

We cannot provide any assurances that any of our pending patent applications will mature into issued patents. For example, the U.S. Patent and Trademark Office, or U.S. PTO, has issued a final rejection against one of our patent applications claiming one of our proprietary $GABA_A$ positive allosteric modulator compounds, asserting a lack of novelty and non-obviousness. We are in the process of appealing the rejection, and may not be successful in overturning the rejection.

We may be unable to obtain issued patents covering our proprietary compounds. We cannot provide any assurances that any of our issued patents will be enforceable, or include claims with a scope sufficient to protect our product candidates or otherwise provide any competitive advantage. For example, the issued patent and patent applications that provide coverage for ZULRESSO only cover particular formulations and particular methods of using such formulations to treat depressive disorders such as PPD and MDD. As a result, such issued patent and any patent that may issue from such patent applications, would not prevent third-party competitors from creating, making and marketing alternative formulations of brexanolone that fall outside the scope of the patent claims or from practicing alternative methods. Moreover, other parties have developed technologies that may be related or competitive to our approach, and may have filed or may file patent applications and may have received or may receive patents that may overlap or conflict with our patent applications, either by claiming the same methods or formulations or by claiming subject matter that could dominate our patent position. Such third-party patent positions may limit or even eliminate our ability to obtain patent protection for certain inventions.

The patent positions of biotechnology and pharmaceutical companies, including our patent position, involve complex legal and factual questions, and, therefore, the issuance, scope, validity and enforceability of any patent claims that we may obtain cannot be predicted with certainty. Patents, if issued, may be challenged, deemed unenforceable, invalidated, or circumvented. U.S. patents and patent applications may also be subject to interference proceedings, derivation proceedings, *ex parte* reexamination, or *inter partes* review proceedings, post-grant review proceedings, supplemental examination and challenges in district court. Patents may be subjected to opposition, post-grant review, or comparable proceedings lodged in various foreign, both national and regional, patent offices. These proceedings could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such proceedings may be costly. For example, our granted European patent covering brexanolone i.v. has been opposed by a third party, and the opposition proceedings are ongoing. Thus, any patents, should they issue, that we may own or exclusively license may not provide any protection against competitors. Furthermore, an adverse decision in an interference proceeding or a derivation proceeding can result in a third party receiving the patent right sought by us, which in turn could affect our ability to develop, market or otherwise commercialize our product candidates. Furthermore, though a patent, if it were to issue, is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability, and it may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products. Even if a patent issues, and is held to be valid and enforceable, competitors may be able to design around our patents, such as using pre-existing or newly developed technology. Other parties may develop and obtain patent protection for more effective technologies, designs or methods.

We also may not be able to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, vendors, former employees and current employees. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the U.S., and we may encounter significant problems in protecting our proprietary rights in these countries. If these developments were to occur, they could have a material adverse effect on our sales if any of our product candidates are approved in those countries. Our ability to enforce our patent rights depends on our ability to detect infringement. It is difficult to detect infringers who do not advertise the components that are used in their products. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product. Any litigation to enforce or defend our patent rights, even if we were to prevail, could be costly and time-consuming, and would divert the attention of our management and key personnel from our business operations. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded if we were to prevail may not be commercially meaningful.

In addition, proceedings to enforce or defend our patents, if and when issued, could put our patents at risk of being invalidated, held unenforceable, or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If any of our patents, if and when issued, covering our product or product candidates is invalidated or found unenforceable, our financial position and results of operations may be materially and adversely impacted. In addition, if a court found that valid, enforceable patents held by third parties covered our product candidates, our financial position and results of operations may also be materially and adversely impacted.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our pending patent applications, if issued as a patent, will include claims having a scope sufficient to protect our current product candidates or any other products or product candidates;
- any of our pending patent applications will issue as patents at all;
- we will be able to generate significant revenue from sales of ZURZUVAE, ZULRESSO, or any of our product candidates, if successfully developed and approved, before our relevant patents expire;
- we were the first to make the inventions covered by each of our pending patent applications and any patents that may issue in the future;
- we were the first to file patent applications for these inventions;
- others will not develop similar or alternative technologies that do not infringe any patents that may be issued to us;
- others will not use pre-existing technology to effectively compete against us;
- any of our patents, if issued or as issued, will provide us with a competitive advantage and be found ultimately to be valid and enforceable;
- any patents issued to us will provide a basis for an exclusive market for our commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or product candidates that are separately patentable; or
- that our commercial activities or products will not infringe upon the patents or proprietary rights of others.

We may rely upon unpatented trade secrets and depend on unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect, in part, by confidentiality agreements with our employees and our CROs, collaborators and consultants. It is possible that technology relevant to our business will be independently developed by a person that is not a party to such an agreement. Furthermore, if the employees and consultants who are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets through such breaches or violations. Further, our trade secrets could otherwise become known or be independently discovered by our competitors.

We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts and stop us from commercializing or increase the costs of commercializing ZURZUVAE, ZULRESSO, or any of our product candidates that we may successfully develop.

Our success will depend in part on our ability to operate without infringing the intellectual property and proprietary rights of third parties. We cannot assure you that our business, products and methods do not or will not infringe the patents or other intellectual property rights of third parties. The pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may allege that our products or product candidates or the use of our technologies infringes patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. As we continue to develop our current product candidates and commercialize ZURZUVAE, ZULRESSO, and any future products, competitors may claim that our technology infringes their intellectual property rights as part of business strategies designed to impede our successful commercialization. There may be third-party patents or patent applications with claims to materials, formulations,

methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, third parties may have currently pending patent applications which may later result in issued patents that our product or product candidates may infringe, or which such third parties claim are infringed by our technologies. The outcome of intellectual property litigation is subject to uncertainties that cannot be adequately quantified in advance. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we are sued for patent infringement, we would need to demonstrate that our product candidates, products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on us. In addition, we may not have sufficient resources to bring these actions to a successful conclusion.

Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. Patent litigation is costly and time-consuming. Any claim relating to intellectual property infringement that is successfully asserted against us may require us to pay substantial damages, including treble damages and attorney's fees if we are found to be willfully infringing another party's patents, for past use of the asserted intellectual property and royalties and other consideration going forward if we are forced to take a license. In addition, if any such claim were successfully asserted against us and we could not obtain such a license, we may be forced to stop or delay developing, manufacturing, selling or otherwise commercializing our product or product candidates. In the case of trademark claims, if we are found to be infringing, we may be required to redesign, or rename, some or all of our product candidates to avoid infringing the intellectual property rights of third parties, which may not be possible and, even if possible, could be costly and time-consuming. Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us.

Any of these risks coming to fruition could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.

We enter into confidentiality and intellectual property assignment agreements with our employees, consultants, CROs, outside scientific collaborators, and other advisors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us. For example, even if we have a consulting agreement in place with an academic advisor pursuant to which such academic advisor is required to assign to us any inventions developed in connection with providing services to us, such academic advisor may not have the right to assign such inventions to us, as it may conflict with his or her obligations to assign all such intellectual property to his or her employing institution or another party.

Most of our employees have also been previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We also engage advisors and consultants who are concurrently employed at universities or who perform services for other entities. We may be subject to claims that an employee, advisor or consultant performed work for us that conflicts with that person's obligations to a third party, such as an employer, and thus, that the third party has an ownership interest in the intellectual property arising out of work performed for us.

Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees which could have a materially adverse effect on our business.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for noncompliance with these requirements.

The U.S. PTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other formalities and provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming, and unsuccessful.

Even if the patent applications we own or license are issued, competitors may infringe these patents. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours or our licensors is not valid, is unenforceable and/or is not infringed, or may refuse to stop the other party from using the technology at issue on the grounds that our patents should be interpreted narrowly and do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not issuing.

Interference proceedings or derivation proceedings provoked by third parties or brought by us may be necessary to determine the priority of inventions with respect to our patents or patent applications or those of our licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the U.S.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock.

Issued patents covering our product or any of our product candidates could be found invalid or unenforceable if challenged in court.

If we or one of our collaborators or licensors initiated legal proceedings against a third party to enforce a patent, if and when issued, covering our product or any of our product candidates, the defendant could counterclaim that the patent covering our product or any of our product candidates is invalid and/or unenforceable. In patent litigation in the U.S., defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness, lack of written description, or non-enablement. Grounds for unenforceability assertions include allegations that someone connected with prosecution of the patent withheld relevant information from the U.S. PTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the U.S. or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *ex parte* reexamination, *inter partes* review, derivation proceedings or interferences and equivalent proceedings in foreign jurisdictions, e.g., opposition or revocation proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our product candidates or competitive products. For example, our granted European patent covering brexanolone i.v. has been opposed by a third party, and the opposition proceedings are ongoing. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware

during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on the applicable product or product candidates. Such a loss of patent protection would have a material adverse impact on our business.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing patent applications and prosecuting and defending patents on product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the U.S. could be less extensive than those in the U.S., assuming that rights are obtained in the U.S. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the U.S. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the U.S., or from selling or importing products made using our inventions in and into the U.S. or other jurisdictions. The statutory deadlines for pursuing patent protection in individual foreign jurisdictions are based on the priority date of each of our patent applications.

Competitors may use our technologies in jurisdictions where we do not pursue patent protection. They may pursue and obtain their own patent protection to develop their own products. Further, they may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the U.S. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if we pursue and obtain issued patents in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the U.S. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biotechnology and pharmaceuticals. For example, a 2022 report from the Office of the U.S. Trade Representative identified a number of countries, including India and China, where challenges to the procurement and enforcement of patent rights have been reported. Several countries, including India and China, have been listed in the report every year since 1989. This could make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights in such jurisdictions. Many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Furthermore, proceedings to enforce our patent rights in foreign jurisdictions could, among other things, result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

For ZULRESSO and certain of our product candidates, we are dependent on licensed intellectual property. If we were to lose our rights to licensed intellectual property, we may not be able to continue developing or commercializing certain of our products or product candidates, if approved. If we breach any of the agreements under which we license the use, development and commercialization rights to our products, product candidates or technology from third parties or, in certain cases, we fail to meet certain development deadlines, we could lose license rights that are important to our business.

We are a party to a number of license agreements under which we are granted rights to intellectual property that are important to our business and we expect that we may need to enter into additional license agreements in the future. Our existing license agreements impose, and we expect that future license agreements will impose on us, various development, regulatory and/or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If we fail to comply with our obligations under these agreements, or we are subject to a bankruptcy, the licensor may have the right to terminate the license, in which event we would not be able to market products covered by the license. Our business could suffer, for example, if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms.

As we have done previously, we may need to obtain licenses from third parties to advance our research or allow commercialization of our product candidates, and we cannot provide any assurances that third-party patents do not exist that might be enforced against our current product candidates or future products in the absence of such a license. We may fail to obtain any of these licenses on commercially reasonable terms, if at all. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. If we fail to obtain a license, we may be required to expend significant time and resources to develop or license replacement technology. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates, which could materially harm our business and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation.

Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues. Disputes may arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under licenses or collaborative development relationships;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully commercialize the relevant product or to successfully develop and commercialize the affected product candidates.

We have entered into several licenses to support our various programs. We may enter into additional licenses to third-party intellectual property that are necessary or useful to our business. Our current licenses and any future licenses that we may enter into impose various royalty payment, milestone, and other obligations on us. For example, the licensor may retain control over patent prosecution and maintenance under a license agreement, in which case, we may not be able to adequately influence patent prosecution or prevent inadvertent lapses of coverage due to failure to pay maintenance fees. If we fail to comply with any of our obligations under a current or future license agreement, the licensor may allege that we have breached our license agreement, and may accordingly seek to terminate our license. In addition, future

licensors may decide to terminate their licenses with us at will. Termination of any of our current or future licenses could result in our loss of the right to use the licensed intellectual property, which could materially adversely affect our ability to develop a product candidate or commercialize a product, as well as harm our competitive business position and our business prospects.

In addition, if our licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms, our business could materially suffer.

Some intellectual property which we have licensed may have been discovered through government funded programs and thus may be subject to federal regulations such as "march-in" rights, certain reporting requirements, and a preference for U.S. industry. Compliance with such regulations may limit our exclusive rights, subject us to expenditure of resources with respect to reporting requirements, and limit our ability to contract with non-U.S. manufacturers.

Some of the intellectual property rights we have licensed may have been generated through the use of U.S. government funding and may therefore be subject to certain federal regulations. For example, some of the intellectual property rights licensed to us under the license agreement with The Regents of the University of California may have been generated using U.S. government funds. As a result, the U.S. government may have certain rights to intellectual property embodied in our current product or current or future product candidates pursuant to the Bayh-Dole Act of 1980, or Bayh-Dole Act. These U.S. government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right to require us to grant exclusive, partially exclusive, or non-exclusive licenses to any of these inventions to a third party if the government determines that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; or (iii) government action is necessary to meet requirements for public use under federal regulations (also referred to as "march-in rights"). The U.S. government also has the right to take title to these inventions if we fail, or the applicable licensor fails, to disclose the invention to the government and fail to file an application to register the intellectual property within specified time limits. In addition, the U.S. government may acquire title to these inventions in any country in which a patent application is not filed within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us, or the applicable licensor, to expend substantial resources. In addition, the U.S. government requires that any products embodying the subject invention or produced through the use of the subject invention be manufactured substantially in the U.S. The manufacturing preference requirement can be waived if the owner of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the U.S. or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. manufacturers may limit our ability to contract with non-U.S. product manufacturers for products covered by such intellectual property.

If we enter into future arrangements involving government funding, and we discover compounds or product candidates as a result of such funding, intellectual property rights to such discoveries may be subject to the applicable provisions of the Bayh-Dole Act.

If we do not obtain new chemical entity or other types of marketing and data exclusivity for our product candidates and if we do not obtain additional protection under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Act, and similar foreign legislation by extending the patent terms of our product candidates, our business may be materially harmed.

Marketing exclusivity provisions under the Federal Food, Drug, and Cosmetic Act, or FDCA, can delay the submission or the approval of certain marketing applications by other companies for a product with the same active moiety as a product we sell or may in the future sell. The FDCA provides a five-year period of non-patent marketing exclusivity within the U.S. to the first applicant to obtain approval of an NDA for a new chemical entity, or NCE. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company for another drug based on the same active moiety, regardless of whether the drug is

intended for the same indication as the original innovator drug or for another indication, where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder. The FDCA also provides three years of marketing exclusivity for a full NDA, or supplement to an existing NDA, if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the active agent for the original indication or condition of use. We have obtained NCE exclusivity for brexanolone and zuranolone and plan to seek NCE exclusivity for our current and future product candidates. There is no guarantee that our product candidates will qualify for marketing or data exclusivity under these provisions or that such exclusivity for any of our products will alone be sufficient for our business. The applicable five-year and three-year exclusivity periods of NCE or data exclusivity under the FDCA will not delay the submission or approval of a full NDA.

Depending upon the timing, duration and specifics of FDA marketing approval of our product candidates, one or more of the U.S. patents we own or license may be eligible for limited patent term restoration in the future under the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. Even if, at the relevant time, we have a valid issued patent covering our product, we may not be granted an extension if we were to fail to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or restoration or the term of any such extension is less than we request, and we do not have any other exclusivity, our competitors may obtain approval of competing products following our patent expiration and our business, financial condition or results of operations could be adversely affected.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

Our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biotechnology industry involves both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. In addition, the U.S. has recently enacted wide-ranging patent reform legislation: the Leahy-Smith America Invents Act, referred to as the America Invents Act. The America Invents Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. It is not yet clear what, if any, impact the America Invents Act will have on the operation of our business. However, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of any patents that may issue from our patent applications, all of which could have a material adverse effect on our business and financial condition.

In addition, U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. For example, in March 2012, in *Mayo Collaborative Services, DBA Mayo Medical Laboratories, et al. v. Prometheus Laboratories, Inc.*, the U.S. Supreme Court held that several claims drawn to measuring drug metabolite levels from patient samples and correlating them to drug doses were not patentable subject matter. The decision appears to impact diagnostics patents that merely apply a law of nature via a series of routine steps and it has created uncertainty around the ability to obtain patent protection for certain inventions. Additionally, in June 2013, in *Association for Molecular Pathology v. Myriad Genetics, Inc.*, the U.S. Supreme Court held that claims to isolated genomic DNA are not patentable, but claims to complementary DNA molecules are patent eligible because they are not a natural product. In June 2014, in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*, a case involving patent claims directed to a method for mitigating settlement risk, the U.S. Supreme Court held that the patent eligibility of claims directed to abstract ideas, products of nature, and laws of nature should be determined using the same framework set forth in *Prometheus*. The U.S. PTO has issued a set of guidelines setting forth procedures for determining subject matter eligibility of claims directed to abstract ideas, products of nature, and laws of nature in line with the *Prometheus*, *Myriad*, and *Alice* decisions. The guidance does not limit the application of *Myriad* to DNA but, rather, applies the decision to other natural products. The full impact of these decisions on our business is not yet known.

In May 2023, the Supreme Court, in Amgen Inc. v. Sanofi, et al., held that claims to a functionally-defined genus of monoclonal antibodies were invalid due to a lack of enablement, as they failed to provide adequate guidance for making and using the claimed antibodies. The Supreme Court noted that the general principle remains that all claims must be enabled to their "full scope" and that broader claims require more enablement.

In addition to increasing uncertainty with regard to our ability to obtain future patents, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on these and other decisions by the U.S. Congress, the federal courts and the U.S. PTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce any patents that may issue in the future.

With passage of the CREATES Act, we are exposed to possible litigation and damages by competitors. In addition, existing statutes, including the CREATES Act, and proposed legislation in Congress, if passed into law, could limit the patent exclusivity on our products or facilitate earlier entry of generic competition.

Under the CREATES Act, legislation intended to facilitate the development of generic and biosimilar products, we are exposed to possible litigation and damages by competitors who may claim that we are not providing sufficient quantities of our approved products on commercially reasonable, market-based terms for testing in support of their ANDAs and 505(b)(2) applications. Such litigation would subject us to additional litigation costs, damages and reputational harm, which could lead to lower revenues. Increased risk of generic competition with ZURZUVAE, ZULRESSO, and any of our product candidates, if approved, including as a result of the CREATES Act, could impact our ability to maximize product revenue.

In addition, members of Congress have proposed numerous legislative initiatives aimed at limiting the patent exclusivity on drug products or facilitating earlier entry of generic versions of approved drugs. Examples of bills that have been proposed include a bill that, if passed, would create a presumption of invalidity for patents beyond the first patent covering a drug product thus shifting the burden to the innovator to prove that these subsequent patents are separately patentable inventions, distinct from the first patent; a bill that, if passed, would empower the Federal Trade Commission to investigate whether large patent portfolios covering a drug product constitute an anti-competitive practice and to file antitrust lawsuits in such instances; and a bill that, if passed, would limit the availability of a 30-month stay on approval by the FDA of a generic version of a drug to only those instances where the ANDA litigation involves a composition of matter patent claiming the drug substance. Such legislation, if passed into law, could adversely affect ZURZUVAE, ZULRESSO, or any future products or result in earlier entry into the market of generic versions of our drugs.

Risks Related to our Industry

Healthcare regulations aimed at reducing healthcare costs may have a material adverse effect on our business or results of operations.

There have been, and likely will continue to be, legislation and legislative, administrative and regulatory proposals in the U.S., both at the federal and state level, and in many foreign jurisdictions, aimed at reducing healthcare costs. The implementation of cost containment measures, drug pricing controls or other reforms could have an adverse effect on our revenue from ZURZUVAE, ZULRESSO, or from the sales of any other products that are successfully developed and approved, and may limit our ability to achieve profitability.

For example, the ACA substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, subjects biological products to potential competition by lower-cost biosimilars, provided a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% (pursuant to the Bipartisan Budget Act of 2018, effective as of 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible

beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D (subsequently modified by the Inflation Reduction Act of 2022, or IRA, as discussed below).

The Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and will remain in effect through 2031. Pursuant to the Coronavirus Aid, Relief and Economic Security Act and subsequent legislation, these Medicare sequester reductions were reduced and suspended, with the current 2% rate of sequestration resuming in July 2022. The rate of sequestration is currently set at 2%, will increase to 2.25% for the first half of fiscal year 2030, to 3% for the second half of fiscal year 2030, and to 4% for the remainder of the sequestration period that lasts through the first six months of fiscal year 2031. These and other laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our products or product candidates for which we may obtain regulatory approval or the frequency with which any such product is prescribed or used.

Certain provisions of the ACA have been subject to judicial challenges as well as efforts to modify them or to alter their interpretation or implementation. For example, the U.S. Tax Cuts and Jobs Act of 2017 included a provision repealing the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." We expect that the ACA, its implementation, efforts to challenge or modify the ACA or its implementing regulations, or portions thereof, and other healthcare reform measures that may be adopted in the future, could have a material adverse effect on our industry generally and on our ability to commercialize our product candidates, if approved.

There has been increasing legislative and enforcement interest in the U.S. with respect to drug pricing practices. Specifically, there have been several U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs, including under Medicare and Medicaid, which may potentially impact negotiations on pricing and discounts with commercial payors, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. There have been multiple Congressional and administrative efforts to address drug pricing, including the IRA. It is unclear whether any other legislation or public policy will come to pass, and if so, what effect it could have on our business.

The IRA has implications for Medicare Part D, which is a program available to individuals who are entitled to Medicare Part A or enrolled in Medicare Part B to give them the option of paying a monthly premium for certain outpatient prescription drug coverage, as well as Medicare Part B. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare, with negotiated prices subject to a cap and first set to take effect in 2026; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (the first Part B inflation rebate period is in the first quarter of 2023; the first Part D inflation rebate period is the fourth quarter of 2022 through the third quarter of 2023); and replaces the Part D coverage gap discount program with a new Part D discounting program (beginning in 2025). The IRA permits the Secretary of HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years of these programs. Manufacturers may be subject to civil monetary penalties for certain violations of the negotiation and inflation rebate provisions and an excise tax during a noncompliance period under the negotiation program.

Specifically, with respect to price negotiations, Congress authorized CMS to negotiate lower prices for certain costly single-source drug and biologic products that do not have competing generics or biosimilars and are reimbursed under Medicare Part B and Part D. CMS may negotiate prices for ten high-cost drugs paid for by Medicare Part D starting in 2026, followed by 15 Part D drugs in 2027, 15 Part B or Part D drugs in 2028, and 20 Part B or Part D drugs in 2029 and beyond. Drugs may be selected for negotiation only once they are at least seven years post-approval (such that they will be nine years post-approval when first subject to the maximum negotiated price) and biologics may be selected for negotiation 11 years post approval (such that they will be 13 years post-approval when first subject to the maximum negotiated price). It does not apply to drugs and biologics that have been approved for a single rare disease or condition. We could be at risk of government action if, in the future, any of our products are the subject of Medicare price

negotiations. In that event, the outcome of the Medicare price negotiations, which will be made publicly available, may also impact negotiations on pricing and discounts with commercial payors.

These risks as to pricing may further heighten the risk that we would not be able to achieve the expected return on our drug products or full value of our patents protecting our products if the pricing of any of our products are the subject of Medicare price negotiations. For example, even if we successfully find a path to regulatory approval of zuranolone for the treatment of MDD, the IRA may negatively impact our potential future revenues. As a result, these risks may also impact the development decisions we make with respect to our products and product candidates, including zuranolone.

Further, the IRA subjects drug manufacturers to civil monetary penalties and a potential excise tax for failing to comply with the IRA by offering a price that is not equal to or less than the negotiated "maximum fair price" under the law or for taking price increases that exceed inflation. The IRA also requires manufacturers to pay rebates for drugs reimbursed under Medicare Part D whose price increases exceed inflation and caps Medicare out-of-pocket drug costs beginning in 2025, at $2,000 a year, subject to an adjustment for inflation thereafter. Drug manufacturers may also be subject to civil monetary penalties with respect to their compliance with these programs. In addition, the IRA potentially raises risks related to individuals participating in a Medicare Part D prescription drug plan who may experience a gap in coverage if they required coverage above their initial annual coverage limit before they reached the higher threshold, or "catastrophic period" of the plan. Individuals requiring services exceeding the initial annual coverage limit and below the catastrophic period, must pay 100% of the cost of their prescriptions until they reach the catastrophic period. Among other things, the IRA contains many provisions aimed at reducing this financial burden on individuals by eliminating the coverage gap starting in 2025, reducing the co-insurance and co-payment costs, expanding eligibility for lower income subsidy plans, and imposing price caps on annual out-of-pocket expenses, each of which could have potential pricing and reporting implications.

It is unclear how the IRA will be implemented. Several pharmaceutical companies, as well as the U.S. Chamber of Commerce, and the Pharmaceutical Research and Manufacturers of America have filed lawsuits against HHS and CMS asserting that, among other things, the IRA's drug price negotiation program for Medicare constitutes an uncompensated taking in violation of the Fifth Amendment of the U.S. Constitution. We expect that litigation involving these and other provisions of the IRA will continue, with unpredictable and uncertain results. We further cannot predict with certainty what impact the IRA or any other federal or state health reforms will have on us, but such changes could impose new or more stringent regulatory requirements on our activities or result in reduced reimbursement for our products, any of which could adversely affect our business, results of operations and financial condition. There may be additional Congressional and administrative efforts to address drug pricing.

At the state level, legislatures have increasingly passed legislation and agencies have implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and price transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at containing or lowering the cost of healthcare or limiting exclusivity periods for pharmaceutical products. We cannot predict the initiatives that may be adopted in the future. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect:

- the demand for ZURZUVAE, ZULRESSO, or any of our product candidates, if approved;
- our ability to receive or set a price that we believe is fair for our products;
- our ability to generate revenue and achieve or maintain profitability;
- the amount of taxes that we are required to pay; and
- the availability of capital.

We expect that the measures discussed above, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, lower reimbursement, and new payment methodologies. This could lower the price that we receive for any approved product. Any denial in coverage or reduction in reimbursement from Medicare or other government-funded programs may result in a similar denial or reduction in payments from private payors, which may prevent us from being able to generate sufficient revenue from sales of ZURZUVAE and ZULRESSO, successfully commercialize any other products if approved in the future, and achieve profitability.

Our internal computer systems or networks, or cloud platforms or those of our collaborators, our third-party CROs or our other contractors, consultants or service providers, may fail or suffer security breaches, which could result in a material disruption of our development programs, compromise personal or sensitive information related to our business, or cause us to incur significant liabilities which could adversely impact our business.

We are increasingly dependent upon information technology systems, infrastructure and data to operate our business, and despite the implementation of security measures, our internal computer systems and those of our collaborators, our third-party CROs and our other contractors, consultants and service providers are vulnerable to cyber security threats, including damage from unauthorized access, theft, natural disasters, terrorism, war, telecommunication and electrical failures, and system malfunction, or from cyber-attacks by malicious third parties (including the deployment of harmful malware, ransomware, viruses, worms, denial-of-service attacks, supply chain attacks, social engineering schemes and other means to affect service reliability and threaten the confidentiality, integrity and availability of information). If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs or cause us to have liability for disclosure of personal information of our customers. For example, the loss of clinical trial data for our product candidates could result in delays in our regulatory submission and approval efforts and significantly increase our costs to recover or reproduce the data, if possible. To the extent that any disruption, disaster or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our product candidates could be delayed or prevented.

We could be required to expend significant amounts of money and other resources to respond to these threats or breaches and to repair or replace information systems or networks or cloud platforms. We also could suffer financial loss or the loss of valuable confidential information. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive acts or practices in violation of Section 5(a) of the Federal Trade Commission Act, or the FTC Act. The Federal Trade Commission, or the FTC, expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Individually identifiable health information is considered sensitive data that merits stronger safeguards. The guidance of the FTC for appropriately securing consumers' personal information is similar to what is required by the HIPAA Security Rule, which establishes national standards for covered entities to protect individuals' electronic personal health information. The HIPAA Security Rule requires covered entities to have appropriate administrative, physical and technical safeguards to help ensure the confidentiality, integrity, and security of electronic protected health information. With respect to privacy, the FTC also sets expectations that companies honor the privacy promises made to individuals about how the company handles consumers' personal information. Any failure to honor promises, such as the statements made in a privacy policy or on a website, may also constitute unfair or deceptive acts or practices in violation of the FTC Act. While we do not intend to engage in unfair or deceptive acts or practices, the FTC has the power to enforce promises as it interprets them, and events that we cannot fully control, such as data breaches, may be result in FTC enforcement. Enforcement by the FTC under the FTC Act can result in civil penalties or enforcement actions.

Although we develop and maintain systems and controls designed to prevent these events from occurring and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes are costly and require ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, we cannot guarantee that our, or our third-party CROs' or our other

contractors', consultants' or service providers' security measures will be sufficient to prevent data loss and other security breaches. Despite our efforts, the possibility of these events occurring cannot be eliminated entirely and there can be no assurance that any measures we take will prevent cyber-attacks or security breaches that could adversely affect our business, including security breaches that may remain undetected for extended periods of time, which can substantially increase the potential for a material adverse impact resulting from the breach.

Risks Related to Our Financial Position and Need for Capital

We are a biopharmaceutical company that has not generated significant revenue to date. We have incurred significant operating losses since our inception, and anticipate that we will incur losses for the foreseeable future.

We are a biopharmaceutical company with only two approved products, and only began generating revenue from product sales in the second quarter of 2019. Biopharmaceutical product development and commercialization are highly speculative undertakings and involve a substantial degree of risk.

We have funded our operations to date primarily through proceeds from sales of common stock, including the sale of stock to Biogen MA Inc., or BIMA; redeemable convertible preferred stock prior to our initial public offering and, to a lesser extent, the issuance of convertible notes. From our inception through March 31, 2024, we had received aggregate net proceeds of $2.8 billion from such transactions. We also received $1.0 billion in upfront payments under our collaborations with Biogen and Shionogi and achieved a milestone under the collaboration agreement with Biogen totaling $75.0 million for the first commercial sale of ZURZUVAE for the treatment of women with PPD in the U.S. in the fourth quarter of 2023, as a result of the first sale of ZURZUVAE to a distributor, and received the milestone payment in January 2024. As of March 31, 2024, our cash, cash equivalents and marketable securities were $717.0 million. We have incurred net losses in each year since our inception, except for net income of $606.1 million for the year ended December 31, 2020, reflecting revenue recognized under a collaboration and license agreement with Biogen. Our net loss was $108.5 million for the three months ended March 31, 2024, and our accumulated deficit was $2.7 billion as of March 31, 2024.

Substantially all of our operating losses have resulted from costs incurred in connection with our research and development programs and from selling, general and administrative costs associated with our operations. We expect to incur increasing levels of operating losses over the next several years and for the foreseeable future. Our prior losses, combined with expected future losses, have had, and will continue to have, an adverse effect on our stockholders' equity and working capital. In August 2023, we implemented a strategic corporate reorganization and reprioritization of our pipeline to support goals for long-term business growth. As a result, we expect that our operating expenses will decrease in 2024 as compared to 2023. We expect to continue to incur significant operating expenses, particularly as we and our collaboration partner Biogen continue to commercialize ZURZUVAE in the U.S. for the treatment of women with PPD and as we continue work to advance ongoing and future product candidates. These costs include the expenses associated with our sales and marketing activities; advancement of planned and ongoing clinical trials for dalzanemdor and SAGE-324; the cost of future clinical trials; outsourced manufacturing; and the impact of future decisions and activities, including decisions made with respect to development of zuranolone for the treatment of MDD. If we receive marketing approval of any current or future product candidate beyond ZURZUVAE and ZULRESSO for the treatment of PPD, we will incur significant additional sales, marketing and manufacturing expenses. We incur significant legal and accounting costs associated with operating as a public company. We expect to continue to incur additional significant and operating losses for the foreseeable future. Because of the numerous risks and uncertainties associated with developing pharmaceutical products, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

Our ability to become profitable depends upon our ability to generate product revenue and/or revenue from our collaborations on a sustained basis. We began to generate revenue from product sales in the second quarter of 2019 in conjunction with launch of our product ZULRESSO, which commenced in June 2019. We expect that our revenue opportunity for ZULRESSO will continue to be limited, particularly in light of the commercial availability of ZURZUVAE. In addition, we generate revenue from sales of ZURZUVAE, which became commercially available in late 2023. We also achieved the milestone totaling $75.0 million for the first commercial sale of ZURZUVAE for the

treatment of women with PPD in the U.S. in the fourth quarter of 2023, as a result of the first sale of ZURZUVAE to a distributor, and received the milestone payment in January 2024. Our ability to generate significant product and collaboration revenues from our current products and any future approved product depends on a number of factors, including, but not limited to:

- our ability to successfully commercialize, with Biogen, ZURZUVAE for the treatment of women with PPD in the U.S., including our ability to achieve market acceptance and satisfactory reimbursement of such product in the medical community, with patients and with third-party payors;
- our ability to successfully complete all ongoing and future clinical trials and non-clinical studies required to file for, and obtain, U.S. and foreign marketing approval for our current or future product candidates or for approved products in additional indications; and our ability to file for and receive marketing approval to commercialize our product candidates, if successfully developed; and
- with respect to any product candidate potentially approved in the future or for any existing product approved in additional indications, our ability, alone or with collaborators, to commercialize the product by developing and effectively deploying a sales force, and to achieve market acceptance and satisfactory reimbursement of such product in the medical community, with patients and with third-party payors.

If we are unable to generate significant product revenue and/or revenue from our collaborations on a sustained basis, we will not become profitable, and may be unable to continue operations without continued funding.

We may need to raise additional funding at some point in the future, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or in light of other strategic considerations. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, the ownership interest of our stockholders in our company will be diluted.

We are currently commercializing ZURZUVAE and ZULRESSO for the treatment of women with PPD in the U.S., and are advancing our product candidates, including dalzanemdor and SAGE-324, through non-clinical and clinical development. Commercializing products and developing additional small molecule products are expensive. In August 2023, we implemented a strategic corporate reorganization and reprioritization of our pipeline to support goals for long-term business growth. As a result, we expect that our operating expenses will decrease in 2024 as compared to 2023. We expect to continue to incur significant operating expenses, particularly as we and our collaboration partner Biogen continue commercialization of ZURZUVAE in the U.S. for the treatment of women with PPD. Our anticipated operating expenses include costs associated with sales and marketing activities; manufacturing; the costs of planned and ongoing clinical trials for dalzanemdor and SAGE-324; the cost of future clinical trials; and the impact of future decisions and activities, including decisions made with respect to development of zuranolone for the treatment of MDD. We may seek additional capital in the future to fund operating needs. We may need to raise additional funds sooner than we currently expect if we choose to pursue additional indications and/or geographies for our product candidates, conduct additional clinical trials for indications we are already pursuing beyond the anticipated trials, identify new potential opportunities or otherwise expand our activities more rapidly than we presently anticipate.

As of March 31, 2024, our cash, cash equivalents and marketable securities were $717.0 million. Based on our current operating plan, we anticipate that our existing cash, cash equivalents and marketable securities as of March 31, 2024, anticipated funding from our ongoing collaborations and estimated revenues, will support our operations into 2026. We do not anticipate receipt of any additional milestone payments from collaborations in the remainder of 2024. Our current operating plan does not contemplate other development activities we may pursue or that all of the currently planned activities will proceed at the same pace, or that all of the activities will be fully initiated or completed during that time. We may not achieve milestones tied to cash payments to us from our collaboration partners on the timelines we expect or at all or generate anticipated revenues from sales of ZURZUVAE for the treatment of women with PPD at the levels or on the timelines we expect. We may use available capital resources sooner than we expect under our current operating plan, including as a result of unexpected events or changes in plans. We also may not achieve cost savings from our August 2023 reorganization at the levels we expect. In addition, our operating plan may change. We may need or

choose to seek additional funds sooner than planned, through equity or debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances, licensing arrangements and arrangements involving other rights or a combination of these or other approaches. In any event, we anticipate we will require additional capital to fund future development efforts for, obtain regulatory approval for, and to commercialize our product candidates, if approved. If current or future economic conditions impact capital markets for an extended period, or if our business prospects are impaired or the capital markets disrupted for any other reason, additional capital may not be available to us on acceptable terms, or at all. Failure to obtain capital if and when needed may force us to delay, limit or terminate our product development efforts or other operations. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if we believe market conditions are favorable or in light of other strategic considerations.

We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Any time we encounter a major setback in our development or regulatory activities, such as the CRL issued by the FDA to our NDA for zuranolone for the treatment of MDD, or in our commercialization efforts, or receive negative data from a key clinical program, such as the announcement of negative results from the PRECEDENT Study in April 2024, our stock price is likely to decline, as it did after the issuance of the CRL for zuranolone for the treatment of MDD and the announcement of the PRECEDENT study results, which would make a future financing more difficult and potentially more dilutive to our existing stockholders. In addition, future global economic uncertainty, reduced liquidity, capital market disruptions, and other macroeconomic or geopolitical conditions, including future banking crises, or pandemics and other health crises, may potentially make it more difficult for us to raise additional funds on favorable terms. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders. The issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The incurrence of indebtedness would result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, 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.

We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, the ownership interest of our stockholders in our company will be diluted. Debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration, strategic partnerships and licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates, our intellectual property, future revenue streams or grant licenses on terms that are not favorable to us.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any approved product, or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Risks Related to Our Common Stock

Market volatility may cause our stock price, and the value of an investment in our stock, to fluctuate.

The market price for our common stock, similar to that of other biopharmaceutical companies, is volatile. The market price of our common stock may fluctuate significantly in response to a number of factors, most of which we cannot control, including, among others:

- the results of our commercialization efforts with respect to ZURZUVAE in the U.S. as a treatment for women with PPD, and our ability to attain commercial success;

- plans for, progress of, timing of, changes to, delays in or results from clinical trials or non-clinical studies of any of our product candidates, including positive or negative key data from such studies or clinical trials, serious adverse events arising in the course of development, or any delays or major announcements related to such studies or trials;
- the success or failure of any regulatory activities with respect to our other existing or future product candidates;
- announcements of new products, technologies, commercial relationships, acquisitions, collaborations or other events by us or our competitors;
- the success or failure of our therapies;
- other developments with respect to our pipeline, including initiation of clinical trials of existing products in additional indications or key decisions of the FDA;
- regulatory or legal developments in the U.S. and other countries;
- adverse developments with respect to our intellectual property portfolio or failure to obtain or loss of exclusivity;
- failure of our future product candidates, if successfully developed and approved, to achieve commercial success;
- fluctuations in stock market prices and trading volumes of similar companies;
- the state of the U.S. and world economies, general market conditions and overall fluctuations in U.S. equity markets, including as a result of U.S. or world events;
- changes in healthcare laws affecting pricing, reimbursement or access;
- variations in our quarterly operating results, including as a result of events beyond our control, such as natural disasters, regional economic downturns, pandemics or other global health crises, social unrest, political instability, terrorism, or acts of war;
- changes in our financial guidance or securities analysts' estimates of our financial performance;
- changes in accounting principles;
- our ability to raise additional capital and the terms on which we can raise it;
- the impact of macroeconomic and geopolitical conditions;
- sales of large blocks of our common stock, including sales by our executive officers, directors and significant stockholders;
- additions or departures of key personnel;
- discussion of us or our stock price by the press and by online investor communities; and
- other risks and uncertainties described in these risk factors.

We have broad discretion in how we use our existing cash and the proceeds from potential future follow-on public offerings, and may not use such cash and proceeds effectively, which could affect our results of operations and cause our stock price to decline.

We have considerable discretion in the use of our cash and the application of the net proceeds from potential future follow-on public offerings. We may use cash and net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from any potential future follow-on offerings in a manner that does not produce income or that loses value.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, even one that may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirers to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

Future sales of our common stock may cause our stock price to decline.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur could significantly reduce the market price of our common stock, and impair our ability to raise adequate capital through the sale of additional equity securities. For example, the 6,241,473 shares of our common stock purchased by BIMA are no longer subject to contractually-agreed lockup periods and volume limitations, the last of which expired on December 31, 2023, and accordingly, BIMA is able to sell these shares without contractual limitations.

Item 5. Other Information

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this Quarterly Report on Form 10-Q.

Item 6. Exhibits

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, which is incorporated herein by reference.

Exhibit Index

Exhibit No.	Description
10.1*	Office Lease Agreement between the Registrant and 55 Cambridge Parkway, LLC, dated January 22, 2024
10.2*	Offer letter by and between the Registrant and Anne Marie Cook, dated August 6, 2015
10.3*	Severance and Change in Control Agreement between the Registrant and Anne Marie Cook, dated September 15, 2015, as amended.
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104*	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information and contained in Exhibits 101.*)

* Filed herewith.

\+ The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SAGE THERAPEUTICS, INC.

April 25, 2024 By: /s/ Barry E. Greene
Barry E. Greene
Chief Executive Officer, President and Director
(Principal Executive Officer)

April 25, 2024 By: /s/ Kimi Iguchi
Kimi Iguchi
Chief Financial Officer
(Principal Financial and Accounting Officer)

OFFICE LEASE AGREEMENT

BETWEEN

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company,

AS LANDLORD

AND

SAGE THERAPEUTICS, INC.,
a Delaware corporation,

AS TENANT

AT
55 CAMBRIDGE PARKWAY, CAMBRIDGE, MA

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BASIC LEASE INFORMATION

This Basic Lease Information is attached to and incorporated by reference to an Office Lease Agreement between Landlord and Tenant, as defined below.

Lease Date:	January 22, 2024
Landlord:	55 Cambridge Parkway, LLC, a Delaware limited liability company
Tenant:	Sage Therapeutics, Inc., a Delaware corporation
Premises:	Approximately 30,567 rentable square feet, consisting of (i) approximately 15,300 rentable square feet on the third (3rd) floor of the West Wing of the building located at 55 Cambridge Parkway, Cambridge, Massachusetts (the "**Building**"), and (ii) approximately 15,267 rentable square feet on the fourth (4th) floor of the West Wing of the Building. The Premises are outlined on the plan attached to the Lease as Exhibit A. The land on which the Building is located (the "**Land**") is described on Exhibit B. The term "**Project**" shall collectively refer to the Building, the Land and the driveways, parking facilities, and similar improvements and easements associated with the foregoing or the operation thereof, including without limitation the Common Areas (as defined in Section 7(c)). The term "**Complex**" shall collectively refer to the Building and any other buildings which comprise a multi-building Complex owned by Landlord, if applicable. As of the Lease Date, the Complex consists of only the Building.
Original Term:	Approximately sixty-six (66) months, commencing on the Commencement Date and ending at 11:59 p.m. local time on the last day of the sixty-sixth (66th) full calendar month following the Commencement Date (the "**Original Expiration Date**"), subject to adjustment as provided in the Lease.
Extension Term:	See Section 3(c). The term "**Term**" shall mean the Original Term, as the same may be extended by the Extension Term.
Commencement Date:	The later of: (a) September 1, 2024; and (b) the date on which the Work (as defined in Exhibit D hereto) in the Premises is, or is deemed to be, Substantially Completed (as defined in, and determined in accordance with, Exhibit D hereto).
Rent Commencement Date:	The date that is six (6) months after the Commencement Date.

Base Rent: Base Rent shall be the following amounts for the following periods of time:

Lease Year	Rate per RSF	Annual Base Rent	Monthly Base Rent
*1	$88.00	$2,689,896.00	$224,158.00
2	$90.64	$2,770,592.88	$230,882.74
3	$93.36	$2,853,710.67	$237,809.22
4	$96.16	$2,939,321.99	$244,943.50
5	$99.04	$3,027,501.65	$252,291.80

*Notwithstanding the foregoing, Landlord hereby waives payment of the monthly amounts of Base Rent, Operating Cost Excess, Tax Excess and Insurance Excess for the period commencing on the Commencement Date and ending on the date immediately preceding the Rent Commencement Date (the "**Rent Waiver Period**"). Notwithstanding the foregoing, all other sums due under the Lease, including Electricity Charges and after-hours HVAC charges, etc., shall be payable during the Rent Waiver Period as provided in this Lease. In the event that the Rent Waiver Period does not end on the last day of a calendar month, then on the first day of the calendar month in which the Rent Waiver Period expires, Tenant shall pay to Landlord the amount of the Base Rent, Operating Cost Excess, Tax Excess and Insurance Excess for the portion of the calendar month that follows the last day of the Rent Waiver Period, pro-rated on a per diem basis in accordance with Section 4(b) below.

As used above and herein, "**Lease Year 1**" shall commence on the Commencement Date and end on the day immediately preceding the first anniversary of the Rent Commencement Date (provided that if the Rent Commencement Date does not occur on the first day of a calendar month, Lease Year 1 shall further include the balance of the calendar month in which such first anniversary occurs), and each subsequent Lease Year shall mean each successive period of twelve (12) calendar months following Lease Year 1.

Security Deposit: $1,428,102.32 in the form of a Letter of Credit pursuant to Section 6.

Rent:	Base Rent, Operating Cost Excess, Tax Excess and Insurance Excess (each as defined in Exhibit C hereto), and Electricity Charges (as defined in Exhibit H) and all other sums that Tenant may owe to Landlord or otherwise be required to pay under the Lease. "**Additional Rent**" means all Rent other than Base Rent.	
Permitted Use:	General office use and for uses accessory thereto, and for no other purpose whatsoever.	
Tenant's Proportionate Share:	Currently 11.15%, which is the percentage obtained by dividing (a) the number of rentable square feet in the Premises as stated above by (b) the rentable square feet in the Building at the time a respective charge was incurred, which at the time of execution of this Lease is 274,235 rentable square feet. Landlord and Tenant stipulate that the number of rentable square feet in the Premises and in the Building set forth above is conclusive as to the square footage in existence on the Lease Date and shall be binding upon them. Landlord and Tenant agree that neither the Premises nor the Building shall be re-measured absent, with respect to the Premises, a physical change to the exterior demising walls of the Premises or, with respect to the Building, a physical change to the Building that increases the occupiable space in the Building.	
Initial Liability Insurance Amount:	$5,000,000, subject to Section 11 of this Lease.	
Broker/Agent:	For Tenant: Cushman & Wakefield For Landlord: Lincoln Property Company	
Tenant's Address:	Prior to Commencement Date: Sage Therapeutics, Inc. 215 First Street Cambridge, MA 02142 Attention: Sajedul Iqbal With a copy to: Sage Therapeutics, Inc. 215 First Street Cambridge, MA 02142 Attention: Legal Department	Following Commencement Date: Sage Therapeutics, Inc. 55 Cambridge Parkway Cambridge, MA 02142 Attention: Sajedul Iqbal With a copy to: Sage Therapeutics, Inc. 55 Cambridge Parkway Cambridge, MA 02142 Attention: Legal Department

Landlord's Address:	For all Notices:	With a copy to:
	55 Cambridge Parkway, LLC c/o Lincoln Property Company 55 Cambridge Parkway Cambridge, MA 02142 Attention: Property Manager	55 Cambridge Parkway, LLC c/o Invesco Real Estate 2001 Ross Avenue, Suite 3400 Dallas, Texas 75201 Attn: Asset Manager – 55 Cambridge Parkway, Cambridge, MA

The foregoing Basic Lease Information is incorporated into and made a part of the Lease identified above. If any conflict exists between any Basic Lease Information and the Lease, then the Lease shall control.

OFFICE LEASE AGREEMENT

This Office Lease Agreement (this "**Lease**") is entered into as of the Lease Date, between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("**Landlord**"), and Sage Therapeutics, Inc., a Delaware corporation ("**Tenant**").

1. **Definitions and Basic Provisions»**

. The definitions and basic provisions set forth in the Basic Lease Information (the "**Basic Lease Information**") executed by Landlord and Tenant contemporaneously herewith are incorporated herein by reference for all purposes. Additionally, the following terms shall have the following meanings when used in this Lease: "**Affiliate**" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question; "**Building's Structure**" means the Building's exterior walls, exterior windows, exterior doors, roof (including roof membrane), elevator shafts (if any), footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, and structural columns and beams; "**Building's Systems**" means the common HVAC, life-safety, plumbing, electrical, telecommunications, and mechanical systems, including the elevators, serving the Building generally; "**Business Day(s)**" means Monday through Friday of each week, exclusive of Holidays; "**Holidays**" means New Year's Day, Martin Luther King Day, Presidents Day, Patriot's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (and with respect to the provision of Building services [*e.g.*, HVAC service and janitorial service] but not for any other purpose under this Lease, "Holidays" shall also include any other nationally or regionally or state recognized holiday observed by Landlord at the Building); "**including**" means including, without limitation; "**Laws**" means all federal, state, and local laws, ordinances, rules and regulations, all court orders, governmental directives, and governmental orders and all interpretations of the foregoing by governmental authorities, and all restrictive covenants affecting the Project that are recorded in the Middlesex County (Southern District) Registry of Deeds, provided, however, except to the extent required by Laws, that Landlord shall not voluntarily enter into or permit or suffer any new restrictive covenants after the Lease Date that would materially adversely affect Tenant's use or occupancy of the Premises or materially diminish Tenant's rights under this Lease, and "**Law**" shall mean any of the foregoing; "**Normal Business Hours**" means 8:00 a.m. to 6:00 p.m. on Business Days, exclusive of Holidays; "**Tenant's Off-Premises Equipment**" means any of Tenant's equipment or other property that may be located on or about the Project (other than inside the Premises); and "**Tenant Party**" means any of the following persons: Tenant; any assignees claiming by, through, or under Tenant; any subtenants claiming by, through, or under Tenant; and any of their respective agents, contractors, employees, and invitees.

2. **Lease Grant»**

. Subject to the terms of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises (as defined in the Basic Lease Information).

3. **Tender of Possession»**

(a) **Tender of Possession**. Landlord presently anticipates delivering to Tenant possession of the Premises with the Work Substantially Complete, broom clean (except with respect to any trash or debris from Tenant's AV and IT Work) and substantially in compliance with the Working Drawings, and with the Building's Systems serving the Premises in good working order and operating condition, and with the exterior windows and roof of the Premises leak-free and watertight, but otherwise in the Premises' "as is" condition, on or about September 1, 2024 (the "**Estimated Delivery Date**"). As of the Lease Date, Landlord has not received any written notice of (i) any violation that remains pending with respect to any non-compliance of the Premises with applicable Laws, including, without limitation, the Disabilities Act (as defined below), or (ii) any actionable levels of Hazardous Materials (as defined below) existing at the Premises as of the Lease Date. In the event the City of Cambridge will not issue the Municipal Sign-Offs (as defined in Exhibit D hereto) due to any non-compliance of the Common Areas with applicable Laws, and such non-compliance was not caused by Tenant, Landlord shall correct such non-compliance at Landlord's sole cost. If Landlord is unable to tender possession of the Premises in such condition to Tenant by the Estimated Delivery Date, then: (a) the validity of this Lease shall not be affected or impaired thereby; (b) Landlord shall not be in default hereunder; (c) Tenant shall accept possession of the Premises when Landlord tenders possession thereof to Tenant; provided, however, if Landlord does not deliver the Premises in the condition required by this Lease within sixty (60) days after the Estimated Delivery Date, as extended for any Tenant Delays and any Force Majeure Events (as may be so extended, the "**Late Delivery Date**"), then Tenant shall be entitled to a per diem Base Rent credit, to be applied commencing on the Rent Commencement Date for each day after the Late Delivery Date that the Premises has not been delivered to Tenant in such required condition. Moreover, if Landlord does not deliver the Premises in the condition required by this Lease on the Estimated Delivery Date, (A) Tenant shall have the right to store its personal property (including furniture and equipment) in the portion of the Premises on the fourth (4^{th}) floor of the Building at no cost to Tenant; and (B) Tenant shall have the right to access and use the server room, included as a part of Tenant's AV and IT Work, at no cost to Tenant. Within ten (10) Business Days after a written request from Landlord, Tenant shall execute and deliver to Landlord the Confirmation of Commencement Date Letter substantially in the form of Exhibit F hereto confirming: (1) the Commencement Date (as defined in the Basic Lease Information) and the expiration date of the initial Term (as defined in the Basic Lease Information); (2) that Tenant has accepted the Premises; and (3) that Landlord has performed all of its obligations with respect to the Premises (except for punch-list items specified in such letter); however, the failure of the parties to execute such letter shall not defer the Commencement Date or otherwise invalidate this Lease.

The parties acknowledge that the prior tenant of the Premises abandoned and relinquished to Landlord the furniture that is located in the Premises as of the Lease Date (the "**Existing Furniture**"). Tenant shall have until February 1, 2024 (the "**Furniture Selection Outside Date**") to notify Landlord in writing of any items of Existing Furniture that it does not want to retain (the "**Rejected Furniture**"). Landlord shall provide access to Tenant at mutually agreeable times prior to the Furniture Selection Outside Date in order for Tenant to inspect the Existing Furniture. As used herein, the term "**Accepted Furniture**" shall mean all of the Existing Furniture except the Rejected Furniture identified by written notice to Landlord on or before the Furniture Selection Outside Date. If Tenant does not identify any Rejected Furniture by written notice to Landlord on or before the Furniture Selection Outside Date, then all of the Existing Furniture will be deemed

to be Accepted Furniture. In consideration of the terms set forth in this Lease, effective as of February 1, 2024, the Accepted Furniture shall automatically become a part of Tenant's personal property, and Landlord shall execute and deliver to Tenant a Bill of Sale in substantially the form of Exhibit M for the Accepted Furniture. Tenant acknowledges that Landlord makes no warranty, guaranty, or representation concerning the ownership, nature, fitness, condition or suitability of the Accepted Furniture, and Tenant accepts them in "as is" condition with all faults and defects. Landlord shall have no obligation for the maintenance, repair or replacement of any such Accepted Furniture, or for insuring the Accepted Furniture; provided, however, Landlord shall be responsible for (a) removing the Accepted Furniture from the Premises and storing the same in vacant space within the Building during the construction of the Work, and the moving costs therefor shall be included in the Total Construction Costs (as defined in Exhibit D) but Tenant shall not be charged any rental for the storage of the Accepted Furniture during the construction of the Work, and (b) removing any Rejected Furniture from the Premises, at Landlord's sole cost and expense**.** Tenant, however, shall be responsible for moving the Accepted Furniture back into the Premises and installing the same, as necessary, after the Work is Substantially Complete and the cost therefor shall be included in the Total Construction Costs. Tenant shall not be charged any rental for the temporary storage of the Accepted Furniture during the construction of the Work; provided, however, that if Tenant fails to remove all Accepted Furniture from such temporary storage space within ten (10) Business Days after the Work is Substantially Complete, then any Accepted Furniture then remaining in such temporary storage space shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord at Tenant's cost without notice to Tenant and without any obligation to account for such items. In addition, upon the expiration or earlier termination of the Lease, Tenant shall be responsible, at Tenant's sole cost, for removing the Accepted Furniture from the Premises and repairing any damage resulting from such removal.

(b) **Beneficial Occupancy**. Notwithstanding anything to the contrary in this Lease, in the event that the Work is Substantially Completed prior to the Estimated Delivery Date, Tenant shall have the right, but not the obligation, to occupy the Premises for the conduct of business as of the date of Substantial Completion, upon all of the terms and provisions of this Lease, except that such early occupancy shall not accelerate the Commencement Date, the Rent Commencement Date, or Tenant's obligation to pay Base Rent, Operating Cost Excess, Tax Excess or Insurance Excess, which obligation shall commence on the Rent Commencement Date; subject, however, to the terms and provisions of Exhibit D in the event of any Tenant Delay Days, and provided that Tenant shall be obligated to pay Electricity Charges, after-hours HVAC charges and other charges for utilities and services for the Premises commencing upon any such early occupancy by Tenant. Prior to any such entry onto the Premises, Tenant shall deliver to Landlord certificates of insurance evidencing the coverages required under the Lease.

(c) **Extension Option**.

Provided that Tenant is not then in default under the Lease beyond any applicable notice and cure period, Tenant may extend this Lease with respect to the entire Premises (as may be expanded pursuant to the terms hereof), for one (1) additional period of five (5) years (the "**Extension Term**"), by delivering written notice of the exercise thereof to Landlord not earlier than fifteen (15) months nor later than twelve (12) months before the expiration of the Original

Term. Tenant's leasing of the Premises during the Extension Term shall be upon the same terms and conditions of this Lease, except that the Base Rent payable during such Extension Term shall be the prevailing rental rate (the "**Prevailing Rental Rate**") at the commencement of the Extension Term, for renewals of space of equivalent quality, size, utility and location in the Cambridge, Massachusetts market area, with the length of the applicable Extension Term to be taken into account and taking into account all relevant factors. If Tenant timely delivers a notice to extend, Landlord shall deliver to Tenant written notice of the Prevailing Rental Rate and shall advise Tenant of the required adjustment to Base Rent, if any, and the other terms and conditions offered, within thirty (30) days after Landlord's receipt of Tenant's notice to extend. Tenant shall, within thirty (30) days after receipt of Landlord's notice, notify Landlord in writing whether Tenant accepts or rejects Landlord's determination of the Prevailing Rental Rate. If Tenant timely notifies Landlord that Tenant accepts Landlord's determination of the Prevailing Rental Rate, then, on or before the commencement date of the Extension Term, Landlord and Tenant shall execute an amendment to this Lease extending the Term on the same terms provided in this Lease, except as follows:

(i) Base Rent shall be adjusted to the Base Rent set forth in Landlord's determination;

(ii) Tenant shall have no further extension option beyond the Extension Term unless expressly granted by Landlord in writing; and

(iii) Landlord shall lease to Tenant the Premises in their then-current condition, and Landlord shall not provide to Tenant any allowances (e.g., moving allowance, construction allowance, and the like) or other tenant inducements, unless otherwise agreed by Landlord and Tenant.

If Tenant rejects Landlord's determination of the Prevailing Rental Rate, then the Prevailing Rental Rate shall be established by appraisal in the following manner. By not later than the thirtieth (30th) day after the Tenant's rejection notice, Landlord and Tenant shall each appoint one (1) qualified appraiser (as hereinafter defined) and the two (2) qualified appraisers so appointed shall determine the Prevailing Rental Rate within thirty (30) days following their appointment. As used herein, the term "qualified appraiser" shall mean any independent person (a) who is employed by an appraisal or brokerage firm of recognized competence in the greater Boston area and (b) who has not less than ten (10) years' experience in commercial office leasing with respect to, or in appraising and valuing properties of, the general location, type and character as the Premises. If either Landlord or Tenant fails to appoint a qualified appraiser within said thirty (30) day period, then the other party shall have the power to appoint the qualified appraiser for the defaulting party. If said qualified appraisers are unable to agree on the Prevailing Rental Rate within said thirty (30) day period, then they jointly shall appoint a third qualified appraiser within ten (10) days of the expiration of such thirty (30) day period. Such third qualified appraiser shall not have represented Landlord or Tenant in the 10-year period prior to such person's appointment. If the first two appraisers shall fail to appoint a third appraiser within such ten (10) day period, either appraiser may request the President of the Boston Bar Association to appoint the third appraiser. Within thirty (30) days after the appointment of the third appraiser, all three qualified appraisers shall meet and determine the Prevailing Rental Rate. If all three qualified appraisers are unable unanimously to agree upon the Prevailing Rental Rate, then the first two

qualified appraisers simultaneously shall deliver their final Prevailing Rental Rate numbers to the third qualified appraiser, and the third qualified appraiser shall select the number as the Prevailing Rental Rate number that is closest to the Prevailing Rental Rate number determined by the third appraiser, and the Prevailing Rental Rate so selected shall be conclusive and binding upon the Landlord and Tenant. Each party shall bear the cost of its qualified appraiser, and the cost of the third qualified appraiser shall be borne equally between the parties. Until such time as the Prevailing Rental Rate is so determined, from and after the commencement date of the Extension Term, Tenant shall pay Base Rent at the rate set forth in Landlord's determination, with an appropriate retroactive adjustment once the Prevailing Rental Rate has been determined.

The foregoing option to extend is personal to the original Tenant signing the Lease (and its Affiliates and any transferee of a Permitted Transfer (as hereinafter defined)), and may not be assigned or transferred to, or exercised by any other assignee, sublessee or transferee under a Transfer, except for a Transfer to an Affiliate or another Permitted Transfer. Tenant's rights under this Section 3(c) shall terminate if (1) this Lease or Tenant's right to possession of the Premises is terminated, (2) Tenant assigns any of its interest in this Lease (other than to an Affiliate or in connection with a Permitted Transfer), (3) as of the first day of the Extension Term, Tenant will have subleases in effect of more than, in the aggregate, twenty-five percent (25%) of the Premises, except for any subleases to Affiliates, or (4) Tenant fails to timely exercise its option under this Section 3(c), time being of the essence with respect to Tenant's exercise thereof.

4. **Rent**

(a) **Rent Payment**

. Tenant shall timely pay to Landlord Rent (as defined in the Basic Lease Information), including the Electricity Charge and the amounts set forth in Exhibit C hereto, without notice, demand, deduction or set-off (except as otherwise expressly provided herein), to the extent not prohibited by applicable Laws, by automatic withdrawal via electronic money transfer using the Automated Clearing House (ACH) system, or other similar system, to an account provided to Tenant by Landlord in writing, or as otherwise specified by Landlord upon reasonable prior notice. Tenant agrees to complete such instructions as Landlord may reasonably designate in writing from time to time upon reasonable prior notice in order to establish the automatic withdrawal. Landlord shall execute and deliver to Tenant any forms reasonably required by Tenant in order to process such payments, including any Automated Clearing House forms and Form W-9. Tenant is responsible for all charges, fines, penalties and other costs associated with any account withdraws retuned or not completed due to insufficient funds in Tenant's account or Tenant's account being closed. In the event applicable Laws do not permit Landlord to require that Tenant make its payments via electronic money transfer and Tenant chooses not to do so, Tenant shall pay the Rent and all other charges specified in this Lease to Landlord at the address set forth in the Basic Lease Information, or to another person and at another address as Landlord from time to time upon reasonable prior notice designates in writing. Except as otherwise expressly set forth herein, the foregoing covenants of Tenant are independent covenants and Tenant shall have no right to withhold or abate any payment of Base Rent or Additional Rent, or to set off any amount

against the Base Rent or Additional Rent then due and payable, or to terminate this Lease, because of any breach or alleged breach by Landlord of this Lease or because of the condition of the Premises. Tenant hereby acknowledges and agrees that it has been represented by counsel of its choice and has participated fully in the negotiation of this Lease, that Tenant understands that the remedies available to Tenant in the event of a default by Landlord may be more limited than those that would otherwise be available to Tenant under the common law in the absence of certain provisions of this Lease, and that the so-called "dependent covenants" rule as developed under the common law (including, without limitation, the statement of such rule as set forth in the Restatement (Second) of Property, Section 7.1) shall not apply to this Lease or to the relationship of landlord and tenant created hereunder.

(b) **Timing**

. Base Rent, adjusted as herein provided, shall be payable monthly in advance beginning on the Rent Commencement Date. The first (1st) monthly installment of Base Rent shall be payable within five (5) Business Days of the Lease Date; thereafter, Base Rent shall be payable on the first (1st) day of each month beginning on the first (1st) day of the second (2nd) full calendar month following the Rent Commencement Date. The monthly Base Rent for any partial month at the beginning of the Term shall equal the product of 1/365 (or in the event of a leap year, 1/366) of the annual Base Rent in effect during the partial month and the number of days in the partial month, and shall be due on the Rent Commencement Date. Payments of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated. Tenant shall pay Operating Cost Excess, Tax Excess and Insurance Excess (each as defined in Exhibit C) at the same time and in the same manner as Base Rent.

5. **Delinquent Payment»**

. All past due payments required of Tenant hereunder shall bear interest from the date which is five (5) Business Days following the date due until paid at the lesser of ten percent (10%) per annum or the maximum lawful rate of interest (such lesser amount is referred to herein as the "**Default Rate**"). Any such interest on late payments shall be payable as Additional Rent under this Lease, shall not be considered a waiver by Landlord of any default by Tenant hereunder, and shall be payable immediately on demand. In no event, however, shall the charges permitted under this Section 5 or elsewhere in this Lease, to the extent they are considered to be interest under applicable Law, exceed the maximum lawful rate of interest.

6. **Security Deposit»**

. Contemporaneously with the execution of this Lease, Tenant shall pay to Landlord the Security Deposit (as defined in the Basic Lease Information), which shall be held by Landlord to secure Tenant's performance of its obligations under this Lease.

The Letter of Credit shall be in the form of a clean, irrevocable, non-documentary and unconditional letter of credit issued by and drawable upon any commercial bank satisfactory to Landlord, trust company, national banking association or savings and loan association (the "**Issuing Bank**"). A current list of acceptable Issuing Banks is attached to this Lease as Exhibit I-1. Such Letter of Credit shall (a) name Landlord as beneficiary, (b) be in the amount of the Security

Deposit, (c) have a term of not less than one year, (d) permit multiple drawings, (e) be fully transferable by Landlord without the payment of any fees or charges by Landlord, and (f) otherwise be in substantially the form attached hereto as Exhibit I-2 or such other form and content reasonably satisfactory to Landlord. If at any time, (A) the Issuing Bank is declared insolvent or is taken into receivership by the Federal Deposit Insurance Corporation or any other governmental agency, or is closed for any reason, or (B) Landlord reasonably believes that the Issuing Bank may be or become insolvent or otherwise unable to meet its obligations, then not later than thirty (30) days after written notice from Landlord, Tenant shall cause the existing Letter of Credit to be replaced by a new Letter of Credit, in form acceptable to Landlord, issued by another Issuing Bank acceptable to Landlord (a "**Replacement Letter of Credit**") in its sole discretion. If Tenant fails to deliver a Replacement Letter of Credit within such thirty (30) day period, Landlord shall have the right to draw upon the existing Letter of Credit and hold the proceeds thereof as a cash Security Deposit pending receipt of a Replacement Letter of Credit. If upon any transfer of the Letter of Credit, any fees or charges shall be so imposed, then such fees or charges shall be payable solely by Tenant and the Letter of Credit shall so specify. The Letter of Credit shall provide that it shall be deemed automatically renewed, without amendment, for consecutive periods of one year each thereafter during the Term unless the Issuing Bank sends a notice (the "**Non-Renewal Notice**") to Landlord by certified mail, return receipt requested, not less than 45 days next preceding the then expiration date of the Letter of Credit stating that the Issuing Bank has elected not to renew the Letter of Credit. Landlord shall have the right, upon receipt of the Non-Renewal Notice, to draw the full amount of the Letter of Credit, by sight draft on the Issuing Bank, and shall thereafter hold or apply the cash proceeds of the Letter of Credit pursuant to the terms of this Section. The Letter of Credit shall provide for draws to be made at an office location in Boston or another location acceptable to Landlord or via facsimile. The Letter of Credit shall be subject in all respects to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590.

If there be an Event of Default (as defined in Section 17), Landlord may apply or retain the whole or any part of the cash Security Deposit or may notify the Issuing Bank and thereupon receive all or a portion of the Security Deposit represented by the Letter of Credit and use, apply, or retain the whole or any part of such proceeds, as the case may be, to the extent required for the payment of any Rent or any other sums as to which Tenant is in default including (a) any sum which Landlord may expend or may be required to expend by reason of Tenant's Event of Default, and/or (b) any damages or deficiency to which Landlord is entitled pursuant to this Lease or applicable Laws, whether such damages or deficiency accrues before or after summary proceedings or other reentry by Landlord. If Landlord applies or retains any part of the Security Deposit, Tenant, within ten (10) Business Days after receipt of written demand from Landlord, shall deposit with Landlord the amount so applied or retained so that Landlord shall have the full Security Deposit on hand at all times during the Term. If Tenant shall fully and faithfully comply with all of the terms, covenants and conditions of this Lease, the Security Deposit shall be returned to Tenant within thirty (30) days after the expiration of the Term and after delivery of possession of the Premises to Landlord in the manner required by this Lease. Tenant expressly agrees that Tenant shall have no right to apply any portion of the Security Deposit against any of Tenant's obligations to pay Rent or other sums due hereunder.

Upon a sale of the Land or the Building or any financing of Landlord's interest therein, Landlord shall transfer the cash Security Deposit or the Letter of Credit, as applicable, to the vendee or lender (if required by such lender). With respect to the Letter of Credit, within ten (10) Business Days after notice of such sale or financing, Tenant, at its sole cost, shall arrange for the transfer of the Letter of Credit to the new landlord or the lender (if required by such lender), as designated by Landlord in the foregoing notice or have the Letter of Credit reissued in the name of the new landlord or the lender. Provided that such cash Security Deposit or Letter of Credit is transferred to the new landlord or lender, Tenant shall look solely to the new landlord or lender for the return of such cash Security Deposit or Letter of Credit and the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new landlord. Tenant shall not assign or encumber or attempt to assign or encumber the cash Security Deposit or Letter of Credit and neither Landlord nor its successors or assigns shall be bound by any such action or attempted assignment, or encumbrance.

Notwithstanding the foregoing, provided that no Event of Default has occurred as of the third (3rd) anniversary of the Rent Commencement Date (the "**L/C Reduction Date**"), Tenant shall have the right to request by written notice to Landlord delivered after the L/C Reduction Date that the Letter of Credit be reduced to $1,190,085.27 (the "**Reduced L/C Amount**"). Tenant's written request shall include a Replacement Letter of Credit meeting the requirements of this Section 6 reflecting the Reduced L/C Amount, and provided that no Event of Default has occurred, Landlord shall be obligated to return to Tenant the original Letter of Credit within five (5) Business Days days after receipt of Tenant's written request and such Replacement Letter of Credit. Notwithstanding the foregoing, provided that the Issuing Bank is then acceptable to Landlord, Tenant may provide, in lieu of a Replacement Letter of Credit, an amendment to the existing Letter of Credit, reflecting the Reduced L/C Amount and otherwise in form reasonably acceptable to Landlord, and provided that no Event of Default has occurred, Landlord shall accept such amendment to the existing Letter of Credit.

7. **Services; Utilities; Common Areas»**

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(a) **Services»**

. Landlord shall furnish, through Landlord's employees or independent contractors, the Building services listed in Exhibit H ("**Services**"), the costs for which shall be included in Operating Costs (as defined in Exhibit C). If Tenant desires HVAC service at a time other than Normal Business Hours, then such services shall be supplied to Tenant upon the written request of Tenant delivered to Landlord or its Building manager before 12:00 p.m. on the Business Day preceding such extra usage, and Tenant shall pay to Landlord the cost of such services within thirty (30) days after Landlord has delivered to Tenant an invoice therefor. The costs incurred by Landlord in providing HVAC service to Tenant at a time other than Normal Business Hours, shall include costs for electricity, water, sewage, water treatment, labor, metering, filtering, and maintenance reasonably allocated by Landlord to providing such service. Landlord's current rate of providing afterhours HVAC service is $145.00 per hour per air handler utilized for the Premises, which rate is subject to change applicable to all tenants from time-to-time, but not more than once

per calendar year. Tenant acknowledges that the cost components for providing afterhours HVAC service to the Premises are not separately metered; accordingly, Landlord's determination of afterhours HVAC charges is an estimate of the costs incurred by Landlord in providing such afterhours HVAC service to Tenant, which include costs for electricity, water, sewage, water treatment, labor, metering, filtering, and maintenance reasonably allocated by Landlord to provide such afterhours HVAC service. If Tenant is unable to use the Premises (or a portion thereof) for the ordinary conduct of Tenant's business due solely to an interruption of any of Landlord's Services, other than as a result of casualty or condemnation and/or Force Majeure, and such condition continues for a period of longer than five (5) consecutive Business Days after Tenant furnishes a written notice to Landlord (the "**Abatement Notice**"), provided that (i) Tenant does not actually use or occupy the Premises (or such portion) during such five (5) consecutive Business Day period, and (ii) such condition has not resulted from the negligence or misconduct of Tenant or any Tenant Party, then Rent (or a pro rata amount thereof if Tenant is unable to occupy only a portion of the Premises) shall be abated on a per diem basis for the period (the "**Abatement Period**") commencing on the sixth (6^{th}) Business Day after Tenant delivers the Abatement Notice to Landlord and ending on the earlier of (x) the date Tenant reoccupies the Premises (or portion thereof), or (y) the date on which such condition is substantially remedied.

(b) **Utility Use»**

. Landlord shall not be required to furnish electrical current for equipment whose electrical energy consumption exceeds normal office usage. If Tenant's requirements for or consumption of electricity exceed the electricity to be provided by Landlord as described in Exhibit H, Landlord shall, at Tenant's expense, make commercially reasonable efforts to supply such service through the then-existing feeders and risers and electrical panels serving the Building and the Premises, and Tenant shall pay to Landlord the cost of such service, at the utility provider's actual cost of supply, without mark-up, within thirty (30) days after Landlord has delivered to Tenant an invoice therefor. Landlord may determine the amount of such additional consumption and potential consumption by any verifiable method, including installation of a separate meter in the Premises installed, maintained, and read by Landlord, at Tenant's expense. Tenant shall not install any electrical equipment requiring special wiring or requiring voltage in excess of 110 volts unless approved in advance by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall not install any electrical equipment requiring voltage in excess of 8.0 watts per rentable square foot (excluding HVAC equipment exclusively serving the Premises) unless approved in advance by Landlord, which approval may be withheld in Landlord's sole discretion. The use of electricity in the Premises shall not exceed the capacity of existing feeders and risers and electrical panels to or wiring in the Premises, except as aforesaid. Any risers or wiring or other alterations required to meet Tenant's excess electrical requirements shall, upon Tenant's written request, be installed by Landlord, at Tenant's cost, if, in Landlord's reasonable judgment, the same shall not cause permanent damage to the Building or the Premises, cause or create a dangerous or hazardous condition, or unreasonably interfere with or disturb other tenants of the Building. If Tenant uses machines or equipment in the Premises which affect the temperature otherwise maintained by the air conditioning system or otherwise overload any utility, Landlord may install supplemental air conditioning units or other supplemental equipment in the

Premises, and the cost thereof, including the cost of installation, operation, use, and maintenance, shall be paid by Tenant to Landlord within thirty (30) days after Landlord has delivered to Tenant an invoice therefor. Landlord may, upon not less than ninety (90) days' prior written notice to Tenant, discontinue any such service to the Premises, provided Landlord first arranges, at Landlord's expense, for a direct connection thereof through the supplier of such service. Tenant shall, however, be responsible for contracting with the supplier of such service and for paying all deposits for, and costs relating to, such service. Landlord shall use reasonable efforts to restore any service required of it that becomes unavailable; however, such unavailability shall not render Landlord liable for any damages caused thereby, be a constructive eviction of Tenant, constitute a breach of any implied warranty, or entitle Tenant to any abatement of Tenant's obligations hereunder except as expressly provided in Section 7(a) above.

Landlord shall have the right, at Landlord's sole cost and expense, to install on-site power (*i.e.*, solar or small wind) at the Building or Project provided that (i) any such installation does not unreasonably interfere with Tenant's use or occupancy of the Premises or access thereto and (ii) the Building and the Premises continue to have at least as much electrical capacity as set forth in the first (1st) paragraph of this Section 7(b) and (iii) such on-site power does not otherwise interfere with the delivery of any Landlord's Services to the Premises. Tenant shall have no right to any renewable energy credits resulting from on-site renewable energy generation, even if Tenant uses such energy. Landlord may retain or assign such renewable energy credits in Landlord's sole discretion.

(i) Consumption Data. Tenant shall within thirty (30) days of request by Landlord (not more than twice per Lease Year unless more frequent reporting is required by applicable Laws) provide consumption data in form reasonably required by Landlord: (i) for any utility to the Premises, including both energy and water, billed directly to Tenant and any subtenant or licensee; and (ii) for any submetered or separately metered utility supplied to the Premises for which Landlord is not responsible for reading. If Tenant utilizes separate services from those of Landlord, Tenant hereby consents to Landlord obtaining the information directly from such service providers and, upon ten (10) Business Days prior written request, Tenant shall execute and deliver to Landlord and the service providers such written releases as the service providers may request evidencing Tenant's consent to deliver the data to Landlord. Any information provided hereunder shall be held confidential except for its limited use to evidence compliance with any applicable Laws. Notwithstanding the foregoing and subject to applicable Laws, Tenant shall not be obligated to maintain any such consumption data for any particular year for more than one (1) year after the last day of such applicable year.

(ii) Data Center. Tenant may not operate a Data Center within the Premises without the express written consent of Landlord. The term "**Data Center**" shall have the meaning set forth in the U.S. Environmental Protection Agency's ENERGY STAR® program and is a space specifically designed and equipped to meet the needs of high-density computing equipment, such as server racks, used for data storage and processing. The space will have dedicated, uninterruptible power supplies and cooling systems. Data Center functions may include traditional enterprise services, on-demand enterprise services, high-performance computing, internet facilities and/or hosting facilities. A Data Center does not include space within the Premises utilized as a "server closet" or for a computer training area. If Tenant desires to operate

a Data Center and Landlord provides its consent pursuant to this Section 7(b)(ii), then in conjunction with the completion and operation of the Data Center, Tenant shall furnish the following information to Landlord:

(1) Within ten (10) days of completion, Tenant shall report to Landlord the total gross floor area (in square feet) of the Data Center measured between the principal exterior surfaces of the enclosing fixed walls and including all supporting functions dedicated for use in the Data Center, such as any raised-floor computing space, server rack aisles, storage silos, control console areas, battery rooms, and mechanical rooms for cooling equipment. If Tenant alters or modifies the area of the Data Center, Tenant shall furnish an updated report to Landlord on the square footage within ten (10) days following completion of the alterations or modifications.

(2) For spaces that meet the U.S. EPA ENERGY STAR definition of a Data Center, tenants must have an electricity submeter or other device in place that measures the electricity consumption in kWh (as opposed to instantaneous power readings measured in kW) of the IT equipment within the space. The meter should only include IT energy consumption, not the total consumption of the data center, which may include lighting or cooling loads. If the Data Center has an Uninterruptible Power Supply (UPS) system, the meter must be placed at the output of the UPS.

(3) Within ten (10) days following the close of each month of operation of the Data Center, monthly IT energy readings, failing which Tenant shall be obligated to pay to Landlord the Late Reporting Fee.

(c) **Common Areas»**

. The term "**Common Area**" is defined for all purposes of this Lease as that part of the Project and/or Complex intended for the common use of all tenants, including among other facilities (as such may be applicable to the Complex), the ground floor lobby, elevator lobbies and hallways on multi-tenant floors, parking areas, loading facilities, private streets and alleys, landscaping, curbs, loading areas, sidewalks, malls and promenades (enclosed or otherwise), lighting facilities, drinking fountains, meeting rooms, conduits, chases, risers, public toilets and the like, but excluding: (i) space in buildings (now or hereafter existing) designated for rental for commercial purposes, as the same may exist from time to time; (ii) streets and alleys maintained by a public authority; and (iii) areas leased to a single-purpose user where access is restricted. In addition, although the roof(s) of the building(s) in the Complex is not literally part of the Common Area, it will be deemed to be so included for purposes of: (i) Landlord's ability to prescribe rules and regulations regarding same; and (ii) its inclusion for purposes of Operating Costs reimbursements. Landlord reserves the right to change from time to time the dimensions and location of the Common Area, as well as the dimensions, identities, locations and types of any buildings, signs or other improvements in the Complex so long as any such change does not unreasonably interfere, for more than temporary periods of construction, with Tenant's use and occupancy of, and access to, the Premises or Tenant's parking rights under this Lease, or materially diminish Landlord's Services. Tenant, and its employees and customers, and when duly authorized pursuant to the provisions of this Lease, its subtenants, licensees and concessionaires,

shall have the non-exclusive right to use the Common Area (excluding roof(s)) as constituted from time to time, such use to be in common with Landlord, other tenants in the Building and/or Complex, as applicable, and other persons permitted by Landlord to use the same, and subject to rights of governmental authorities, easements, other restrictions of record, provided, however, except to the extent required by applicable Laws, Landlord shall not voluntarily enter into or permit or suffer any new restrictive covenants after the Lease Date that would materially adversely affect Tenant's use or occupancy of the Premises or materially diminish Tenant's rights under this Lease, and such reasonable rules and regulations governing use as Landlord may from time to time prescribe. For example, and without limiting the generality of Landlord's ability to establish rules and regulations governing all aspects of the Common Area, Tenant agrees as follows:

(i) Tenant shall not solicit business within the Common Area nor take any action which would interfere with the rights of other persons to use the Common Area.

(ii) Landlord may temporarily close any part of the Common Area for such periods of time as may be reasonably necessary to make repairs or alterations or to prevent the public from obtaining prescriptive rights; provided that such closure does not unreasonably interfere with Tenant's use or occupancy of the Premises or access thereto.

(iii) With regard to the roof(s) of the building(s) in the Project or Complex, as applicable, use of the roof(s) is reserved to Landlord, or with regard to any tenant demonstrating to Landlord's satisfaction a need to use same, to such tenant after receiving prior written consent from Landlord.

(d) **Parking.»**

So long as Tenant shall not be in default under this Lease beyond the expiration of applicable notice and cure periods, Tenant shall have the right to use 1.4 parking spaces per 1,000 rentable square feet of the Premises, which shall be rounded up to forty-three (43) parking spaces in the garage under the Building (the "**Garage**") on an unreserved, unassigned basis, in common with other tenants of the Building. Tenant shall pay to Landlord each month with the payment of Base Rent, the then monthly parking charge (currently $425.00 per unreserved space per month) set by Landlord, regardless of whether Tenant or any invitees, employees or contractors of Tenant actually use such spaces, for each of the forty-three (43) parking spaces (the "**Parking Charges**"). Such rate shall be subject to change by Landlord during the Term, but not more than once per Lease Year and shall be consistent with then prevailing parking rates for comparable buildings within the area of the Building. Tenant shall be responsible for causing its visitors to park only in spaces or areas marked "Visitor parking" and Tenant and its employees shall not park in spaces or areas marked "Visitor-Parking" or "No parking". Landlord reserves the right to tow any cars parked in "Visitor Parking" or "No Parking" areas at the sole expense of the owner of the improperly parked car. Landlord reserves the right to designate reserved parking spaces for the Building's tenants, which may be at an additional charge to such tenants. Nothing contained herein shall be deemed to create liability upon Landlord for any damage to motor vehicles of Tenant's employees, contractors, agents or invitees, or from loss of property from within such motor vehicles while parked in the Garage, except arising from the negligence or willful misconduct of Landlord or its agents, contractors or employees. Landlord has the right to enforce against all users

of the Garage the rules and regulations set forth on Exhibit E-1 (the "**Parking Rules and Regulations**"), as the same may be amended by Landlord from time to time.

(e) **Recycling and Waste Management»**

. Tenant covenants and agrees, at its sole cost and expense (except as otherwise expressly provided in this Lease): (i) to comply with all applicable Laws regarding the collection, sorting, separation, and recycling of garbage, trash, rubbish and other refuse (collectively, "**trash**"); (ii) to comply with Landlord's recycling policy as part of Landlord's Sustainability Practices (defined below) where it may be more stringent than applicable Law; (iii) to sort and separate its trash and recycling into such categories as are provided by applicable Law or Landlord's Sustainability Practices; and (iv) that Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Section.

(f) **Sustainability Practices»**

. Tenant acknowledges that Landlord may elect, in Landlord's sole discretion, to implement energy efficient and environmentally sustainable practices (collectively, the "**Sustainability Practices**") and, in furtherance of same may pursue an environmental sustainability monitoring and certification program such as Energy Star, Green Globes-CIEB, LEED, or similar programs ("**Green Building Certification**"). Tenant acknowledges that in order to further its Sustainability Practices or pursue Green Building Certification, Landlord may be required to provide information, historical and current data, regarding energy use, materials, procedures and systems operation within the Project, Building and/or Premises to the Green Building Certification Institute or to another certification body or agency, in order to demonstrate compliance with various program requirements. Tenant agrees that throughout the Term of this Lease, and provided the following obligations are generally applicable to all tenants in the Building: (i) Tenant shall cooperate in good faith to maintain and provide Landlord with historical and current data regarding energy use, materials, procedures and systems operation by Tenant or within the Premises as Landlord shall reasonably require in order to meet the Sustainability Practices, including documentation Tenant (or its consultant or contractor) has or may submit to obtain a "Green Building Certification" for the Premises; provided, however, that Tenant shall not be obligated to keep any records of such data or documentation longer than one (1) year unless otherwise required by applicable Laws and (ii) Tenant, at no material additional cost to Tenant, shall reasonably cooperate with Landlord and comply with the Sustainability Practices standards including, without limitation, all non-confidential monitoring and data collection, maintenance, access, documentation and reporting requirements set forth therein; provided, however, that no such compliance shall obligate Tenant to make any alterations, improvements or modifications to the Premises or otherwise unreasonably interfere with Tenant's use or occupancy of the Premises or access thereto. Landlord's Sustainability Practices may include, without limitation, matters addressing operations and maintenance, including, without limitation: chemical use; indoor air quality; energy efficiency; water efficiency; recycling programs; exterior maintenance programs; and systems upgrades to meet energy, water, indoor air quality, and lighting performance standards as determined by the organization administering the certification. Tenant's construction and maintenance methods and procedures, material purchases, and disposal of waste with respect to

the Premises shall be in compliance with minimum standards and specifications of guidelines in Exhibit D-2 in addition to all applicable Laws. Before closing and leaving the Premises at any time, Tenant shall use reasonable efforts to turn off all lights, electrical appliances and mechanical equipment that are not otherwise required to remain on. Notwithstanding anything in this Lease to the contrary, Landlord and Tenant acknowledge and agree that Tenant shall not be required to comply with any voluntary Sustainability Practices or Green Building Certification if such compliance would require Tenant to incur any material additional cost or expense (other than *de minimis* costs or expenses), including without limitation, any internal costs, that Tenant otherwise is not required to incur under this Lease or has not in the usual course of its business incurred in connection with its use and occupancy of the Premises prior to Landlord's implementation of any such voluntary Sustainability Practices or Green Building Certification.

8. **Alterations; Repairs; Maintenance; Signs»**

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(a) **Alterations»**

. Tenant shall not make any alterations, additions or improvements to the Premises (collectively, the "**Alterations**") without the prior written consent of Landlord, which such consent shall not be unreasonably withheld, conditioned or delayed with respect to work that does not adversely affect the Building's Systems or Building's Structure or any exterior areas or Common Areas, except for Cosmetic Alterations (as hereinafter defined) and the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Premises. Tenant shall furnish plans and specifications to Landlord, in form and substance reasonably sufficient for Landlord to determine whether to grant its approval under this Section 8, for its approval at the time Tenant requests Landlord's consent to any Alterations if the desired Alterations: (i) may affect the Building's Systems or Building's Structure; (ii) will require the filing of plans and specifications with any governmental or quasi-governmental agency or authority; (iii) will cost in excess One Hundred Fifty Thousand Dollars ($150,000.00); or (iv) will require a building permit or similar governmental approval to undertake. Alterations that do not trigger any of the conditions in the foregoing clauses (i) through (iv) are referred to herein as "**Cosmetic Alterations**". Subsequent to obtaining Landlord's consent and prior to commencement of the Alterations, Tenant shall deliver to Landlord any building permit required by applicable Law and a copy of the executed construction contract(s) (which may include redactions of the business terms and conditions). The completion of Alterations will be subject to the Building rules and regulations, as further described in Section 13 below. Tenant shall reimburse Landlord within thirty (30) days after Tenant's receipt of a bill for all of Landlord's reasonable actual out-of-pocket costs incurred by or on behalf of Landlord for the review and approval of Tenant's plans and specifications. Notwithstanding the foregoing, Landlord shall not charge Tenant for any costs or expenses for engineering or outside consulting services incurred by Landlord in connection with any Alterations unless the Alterations proposed by Tenant affect structural elements. If Landlord consents to the making of any Alteration, such Alteration (other than the Work (as defined in Exhibit D)) shall be made by Tenant at Tenant's sole cost and expense by a contractor and subcontractors approved in writing by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Landlord shall have the right to require any

contractor or subcontractor performing work on or about the Premises to employ union labor and any construction manager utilized by Tenant to be a union-associated construction manager. Tenant shall require its contractor to maintain insurance in the amounts set forth in Section 8(b) of this Lease. Without Landlord's prior written consent, which such consent shall not be unreasonably withheld, conditioned or delayed, Tenant shall not use any portion of the Common Areas in connection with the making of any Alterations. If the Alterations which Tenant causes to be constructed result in Landlord being required to make any alterations and/or improvements to other portions of the Project or Complex, as applicable, in order to comply with any applicable Laws, then Tenant shall reimburse Landlord within thirty (30) days after written demand therefor for all costs and expenses incurred by Landlord in making such alterations and/or improvements. Any Alterations made by or on behalf of Tenant shall become the property of Landlord upon installation and shall remain on and be surrendered with the Premises upon the expiration or sooner termination of this Lease, unless Landlord requires the removal of such Alterations (including any Work, Tenant's AV and IT Work or other work to be performed under **Exhibit D** to this Lease, but expressly excluding the Cable, which Tenant shall not be required to remove from the Premises upon the expiration or earlier termination of this Lease) and notifies Tenant in writing simultaneously with Landlord's written approval of such Alterations that Landlord will require that Tenant remove such Alterations at the expiration or earlier termination of this Lease. If Landlord requires the removal of such Alterations, Tenant shall at its sole cost and expense, forthwith and with all due diligence (but in any event not later than fifteen (15) days after the expiration or earlier termination of the Lease) remove all or any portion of any Alterations made by Tenant which are designated by Landlord at the time its consents to such Alterations as Specialty Alterations (as defined in Section 21) to be removed, and repair and restore the Premises in a good and workmanlike manner to their original condition, reasonable wear and tear, casualty and condemnation excepted. All construction work done by Tenant within the Premises shall be performed in a good and workmanlike manner with new materials of first-class quality, lien-free and in compliance with all applicable Laws, and in such manner as to not unreasonably interfere with other construction in progress and with the transaction of business in the Project or Complex, as applicable. Without limiting the foregoing, Tenant shall implement reasonable rules, regulations and construction procedures that are approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed, to minimize to the extent reasonably practicable any noise, vibration and dust to any existing tenants in the Building in connection with any work performed by or on behalf of Tenant. Subject to Section 11(c), Tenant agrees to indemnify, defend and hold Landlord harmless against any loss, liability or damage resulting from the performance of Alterations by Tenant or any contractors or subcontractors of Tenant. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable Laws, and Tenant shall be solely responsible for ensuring all such compliance. All voice, data, video, audio and other low voltage control transport system cabling and/or cable bundles installed in the Building by Tenant or its contractor shall be (A) plenum rated and/or have a composition makeup suited for its environmental use in accordance with NFPA 70/National Electrical Code; (B) [intentionally omitted]; (C) installed in accordance with all EIA/TIA standards and the National Electric Code; (D) installed and routed in accordance with a routing plan showing "as built" or "as installed" configurations of cable pathways, outlet identification numbers, locations of all wall, ceiling and

floor penetrations, riser cable routing and conduit routing (if applicable), and such other information as Landlord may reasonably request. The routing plan shall be available to Landlord and its agents at the Building upon request.

(b) **Repairs; Maintenance»**

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(i) By Landlord»

. Landlord shall, subject to reimbursement to the extent set forth in Exhibit C, keep and maintain in good repair and working order and make repairs to, perform maintenance upon, and replace as necessary: (1) the Building's Structure; (2) the Building's Systems; (3) Common Areas; (4) the roof of the Building; (5) exterior windows of the Building; and (6) elevators serving the Building. If any of the foregoing maintenance or repair is necessitated due to the negligent or willful acts or omissions of any Tenant Party, but subject to the terms and provisions of Section 11(c) of this Lease, Tenant shall pay the costs of such repairs or maintenance to Landlord within thirty (30) days after receipt of an invoice, together with an administrative charge in an amount equal to two and one-half percent (2.5%) of the cost of the repairs. Landlord shall not be liable to Tenant for any interruption of Tenant's business or inconvenience caused due to any work performed by Landlord in the Premises, the Building or the Complex pursuant to Landlord's rights and obligations under the Lease, but only provided that Landlord performs such work in compliance with the terms and conditions of Section 23(a) below. To the extent allowed by Law, Tenant waives the right to make repairs at Landlord's expense under any applicable Law.

(ii) By Tenant»

. Tenant shall, at its sole cost and expense, promptly perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under this Lease and shall keep the Premises in good condition and repair, ordinary wear and tear and casualty and condemnation excepted. Tenant's repair obligations include, without limitation, repairs to: (1) floor covering and/or raised flooring; (2) interior partitions; (3) doors (excluding exterior Building doors); (4) the interior side of demising walls; (5) electronic, phone and data cabling and related equipment (collectively, "**Cable**") that is installed by or for the benefit of Tenant and located in the Premises or other portions of the Building or Project; (6) supplemental air conditioning units, private showers and kitchens, including hot water heaters, plumbing, dishwashers, ice machines and similar facilities serving Tenant exclusively; (7) phone rooms used exclusively by Tenant; (8) Alterations performed by contractors retained by or on behalf of Tenant (including Tenant's AV and IT Work); and (9) all of Tenant's furnishings, trade fixtures, equipment and inventory. If Tenant fails to make any repairs to the Premises for more than thirty (30) days after written notice from Landlord (although notice shall not be required if there is an emergency, or if the area to be repaired is visible from the exterior of the Building), Landlord may, in addition to any other remedy available to Landlord, make the repairs, and Tenant shall pay the reasonable cost of the repairs to Landlord within thirty (30) days after receipt of an invoice, together with an administrative charge in an amount equal to two and one-half percent (2.5%) of the cost of the repairs; provided, however, if Tenant's failure to perform any required repairs is excused pursuant to Section 26(c) herein, then such interest will not accrue on the costs of repairs incurred by Landlord but must

nonetheless reimburse Landlord for such costs. Notwithstanding the foregoing, Landlord shall have the right to make such reasonable repairs without notice to Tenant in the event of an emergency, however, Landlord shall notify Tenant of the occurrence of such emergency repairs and the cost of such emergency repairs within five (5) Business Days after undertaking the same. At the expiration of this Lease, Tenant shall surrender the Premises in the condition, required by the first sentence of Section 8(b)(ii). All personal property of Tenant at the Premises, including goods, wares, merchandise, inventory, trade fixtures and other personal property of Tenant, shall be stored at the Premises at the sole risk of Tenant. Except to the extent of Landlord's negligence or willful misconduct, Landlord or its agents shall not be liable to Tenant for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other places resulting from dampness or any other cause whatsoever, or from the act or negligence of any other tenant or any officer, agent, employee, contractor or guest of any such tenant. It is generally understood that mold spores are present essentially everywhere and that mold can grow in most any moist location. Tenant agrees to promptly notify Landlord if it observes mold/mildew and/or moisture conditions (from any source, including leaks), and allow Landlord to evaluate and make recommendations and/or take appropriate corrective action (subject to the terms and conditions of Section 23(a) below). In addition, execution of this Lease constitutes acknowledgement by Tenant that it shall adopt and implement the moisture and mold control guidelines set forth on Exhibit J attached hereto.

(iii) Performance of Work»

. All work described in this Section 8 shall be performed only by contractors and subcontractors approved in writing by Landlord, such approval not to be unreasonably withheld, condition, or delayed. With respect to any work at the Building, Landlord shall have the right to require any contractor or subcontractor performing work on or about the Premises to employ union labor and any construction manager utilized by Tenant to be a union-associated construction manager. Tenant shall cause all contractors and subcontractors to procure and maintain insurance coverage as follows:

(a) Commercial General Liability Insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence for bodily injury and property damage, One Million U.S. Dollars (USD $1,000,000) each person or organization for personal and advertising injury, Two Million U.S. Dollars (USD $2,000,000) general aggregate, and Two Million U.S. Dollars (USD $2,000,000) products completed operations aggregate covering: (i) premises / operations liability; (ii) products / completed operations liability; (iii) personal and advertising injury liability; (iv) independent contractors liability; and (v) broad form contractual liability. Such policy of insurance shall (vi) be primary and non-contributory to any insurance or self-insurance maintained by Landlord, its property manager and Invesco Advisers, Inc. ("**Invesco**") with respect to contractor's operations; (vii) be endorsed to add Landlord, its property manager and Invesco as an additional insured; (viii) include extended completed operations coverage, for at least three (3) years after acceptance of the contractor's work either through policies in force or through an extended reporting period endorsement for products/completed operations liability; and

(ix) not require a warranty of underlying coverage for subcontractors, and not contain an exclusion for injury to contractors or employees of contractors, or for work performed by uninsured or underinsured contractors.

(b) Automobile Liability Insurance covering the ownership, maintenance, and operations of any automobile or automotive equipment, whether such auto is owned, hired, and non-owned. The contractor shall maintain insurance with a combined single limit for bodily injury and property damage of not less than the equivalent of One Million Dollars ($1,000,000) per accident. The contractor's insurance shall be endorsed to add Landlord, its property manager and Invesco as an additional insured.

(c) Workers Compensation Insurance covering statutory benefits in all states where operations are to be performed under this Lease. Such policy shall include an employers' liability coverage part with limits that shall be not less than Five Hundred Thousand Dollars ($500,000) each accident for bodily injury by accident, Five Hundred Thousand Dollars ($500,000) each employee for bodily injury by disease, and Five Hundred Thousand Dollars ($500,000) policy limit for bodily injury by disease.

(d) Umbrella/Excess Liability Insurance consisting of one or more policies with limits of not less than One Million Dollars ($1,000,000) each occurrence for bodily injury and property damage, and One Million Dollars ($1,000,000) general aggregate and products and completed operations aggregate, however, reasonably higher Umbrella / Excess liability limits are required for contractors performing Moderate and High Risk work as defined in the Invesco Risk Category Schedule, which Landlord shall provide to Tenant. Policies shall be excess to the primary commercial general liability and business automobile liability coverage and shall be written as follow form or alternatively with a form that provides coverage that is at least as broad as the primary insurance policies.

(e) Property Insurance providing coverage for property in which the contractor retains the risk of loss including their own equipment, (stationary or mobile), tools (including employee tools), supplies, materials, or any other property owned or leased by the contractor. If the contractor chooses to self-insure any of the property described under this section, it is agreed that the contractor shall hold Landlord, its property manager and Invesco harmless for any loss or damage to that property.

(f) Professional Liability Insurance (Errors & Omissions). Any contractor who performs professional services must evidence a minimum of One Million Dollars ($1,000,000) per claim and One Million Dollars ($1,000,000) general aggregate covering financial loss as well as bodily injury and property damage arising from errors and omissions committed in the performance of Professional Services. Professional Services shall be defined to include design-build services rendered or required to be rendered by an architect, engineer, construction manager or project manager. This insurance shall provide coverage for Professional Services performed by the contractor or anyone directly or indirectly employed by it. Contingent bodily injury and property damage coverage shall not be subject to any sublimit.

(g) Contractors Pollution Liability Insurance. Any contractor who remediates Hazardous Materials (as hereinafter defined), performs waste removal of Hazardous Materials or uses chemicals must evidence a minimum of One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) annual aggregate covering pollution losses, including but not limited to bodily injury, property damage, and financial loss arising out of the contractor's operations and completed operations, and for sudden and gradual pollution arising out of the contractor's performance under this Lease. The insurance shall be endorsed to include Landlord, its property manager and Invesco as additional insured with respect to work performed under this Lease. Coverage shall also be primary and non-contributory to any other insurance available to such additional insureds and be endorsed with a waiver of subrogation in favor of all additional insured parties.

Each policy of insurance required under this Lease shall be subject to the following general provisions:

(1) The contractor shall use commercially reasonable efforts to require all of its subcontractors to maintain policies in compliance with the duties, obligations, and requirements of the insurance provisions found in this Lease.

(2) Each policy shall contain a waiver of subrogation in favor of Landlord and Invesco effectively precluding the insurance companies for the contractor and all of its subcontractors from presenting a claim or filing a lawsuit against Landlord and Invesco.

(3) Any and all of the deductibles and premiums associated with the policies providing the insurance coverage required herein shall be assumed by, for the account of, and at the sole risk of contractor and all of its subcontractors.

(4) Prior to the commencement of operations as provided for under the Agreement and within seven (7) days of any policy renewal thereafter, contractor and all of its subcontractors shall furnish Certificates of Insurance ("**Certificates**") to Landlord and Invesco on Acord 25 or a substitute equivalent form. These Certificates shall evidence the following for each and every policy: (i) insurance company name, (ii) policy number, (iii) policy period, (iv) per occurrence and aggregate limits, (v) deductibles or self-insured retentions, and (vi) any applicable additional insured or waiver of subrogation endorsements. These Certificates shall also expressly provide that the insurance companies issuing the specified policies shall endeavor to mail at least thirty (30) days advance written notice of cancellation or non-renewal to all certificate holders.

(5) Each insurance company listed in the Certificate shall be (i) admitted to do business in the state where the project is located and (ii) rated by AM Best Company as having a financial strength rating of "A-" or better and a financial size category of "VIII" or greater or otherwise be satisfactory to Landlord and Invesco.

Tenant shall provide Landlord with the identities, mailing addresses and telephone numbers of all persons performing work or supplying materials prior to beginning such

construction and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable Laws. All such work shall be performed in accordance with all Laws and in a good and workmanlike manner so as not to damage the Building (including the Premises, the Building's Structure and the Building's Systems). All such work which may affect the Building's Structure or the Building's Systems, at Landlord's election, must be performed by Landlord's usual contractor for such work or a contractor approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. All work affecting the roof of the Building must be performed by Landlord's roofing contractor or a contractor approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, and no such work will be permitted if it would void or reduce the warranty on the roof

(iv) Notwithstanding local ordinances and building codes, and subject to the last sentence of Section 7(e) of this Lease, any and all Alterations performed by Tenant will be performed in accordance with Landlord's Sustainability Practices, including any third-party rating system concerning the environmental compliance of the Building or the Premises, as the same may change from time to time, and in accordance with Landlord's "Contractor Rules and Regulations" attached hereto as Exhibit D-1 and the "Energy and Sustainability Construction Guidelines & Requirements" attached hereto as Exhibit D-2, and any modifications thereto by Landlord, provided that such modifications shall not impose any additional material costs on Tenant in performing any Alterations in excess of costs that Tenant would incur by complying with the versions of Exhibits D-1 and D-2 attached to this Lease.

(v) All maintenance (including without limitation janitorial services and pest control services that Tenant is expressly required to provide under this Lease or otherwise elects to provide) and repairs made by Tenant must comply with Landlord's Sustainability Practices, to the extent implemented by Landlord, including any third-party rating system concerning the environmental compliance of the Building or the Premises, adopted by Landlord in accordance with Section 7(e) of this Lease, at no material additional cost to Tenant, but Tenant's obligations under this section are subject to the limitations in the last sentence of Section 7(e).

(c) **Mechanic's Liens»**

. All work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party, excluding the Work, shall be deemed authorized and ordered by Tenant only, and Tenant shall not permit any mechanic's liens to be filed against the Premises or the Project in connection therewith. Upon completion of any such work, Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. If such a lien is filed, then Tenant shall, within fifteen (15) days after Landlord has delivered written notice of the filing thereof to Tenant (or such earlier time period as may be necessary to prevent the forfeiture of the Premises, Project or any interest of Landlord therein or the imposition of a civil or criminal fine with respect thereto), either: (1) pay the amount of the lien and cause the lien to be released of record; or (2) diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within thirty (30) days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship

is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any other Tenant Party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Premises, Project or Landlord's interest therein due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work. Tenant shall indemnify, defend and hold harmless Landlord, its property manager, Invesco, and their respective officers, directors, shareholders, partners, employees, managers, contractors, attorneys and agents (collectively, the "**Indemnitees**") from and against all third party claims, demands, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees) in any way arising from or relating to the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party (excluding the Work). The foregoing indemnity shall survive termination or expiration of this Lease.

(d) **Signs»**

. Tenant shall not place or permit to be placed any signs upon: (i) the roof of the Building; or (ii) the Common Areas; or (iii) any area visible from the exterior of the Premises (other than the suite entry signage pursuant to clause (iii) in the following paragraph) without Landlord's prior written approval, which approval shall be granted or withheld by Landlord in its sole discretion. Tenant shall comply with such regulations as may from time to time be promulgated by Landlord governing signs, advertising material or lettering of all tenants in the Project or Complex, as applicable. The Tenant, upon vacation of the Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, painting or replacement of the Building fascia surface or other portion of the Building where signs are attached. If Tenant fails to do so, Landlord may have the sign removed and the cost of removal plus five percent (5%) as an administrative fee shall be payable by Tenant within ten (10) days of invoice.

Notwithstanding the foregoing, Landlord shall initially provide Tenant with (i) Building standard signage on the existing main directory in the Building lobby, (ii) Building standard directional signage that includes Tenant's name in the third (3rd) floor elevator lobby and fourth (4th) floor elevator lobby, and (iii) Building standard (or, subject to Landlord's prior approval, not to be unreasonably withheld, conditioned, or delayed, and at Tenant's cost, Tenant's branded) suite entry signage at the entrances to the Premises.

9. Use**»**

. Tenant shall occupy and use the Premises only for the Permitted Use (as set forth in the Basic Lease Information) and shall comply with all Laws applicable to the use, condition, access to, and occupancy of the Premises and will not commit waste, overload the Building's Structure or the Building's Systems or subject the Premises to any use that would damage the Premises.

Subject to Landlord's after-hours security procedures (which do not prohibit access), repair situations, and subject to events beyond Landlord's reasonable control, Tenant shall have the right to access the Building (including the Garage) and the Premises on a 24-hour, 7-day a week basis. Tenant, at its sole cost and expense, shall obtain and keep in effect during the Term, all permits, licenses, and other authorizations necessary to permit Tenant to use and occupy the Premises for the Permitted Use in accordance with applicable Law. Landlord shall not be obligated to provide Building conditions (including Building systems) designed and configured to accommodate a population density within the Premises as a whole in excess of one (1) person for each 200 rentable square feet in the Premises (the "**Building Density Standard**"). Tenant may have a population density in excess of the Building Density Standard so long as (a) such density complies with all applicable Laws and (b) provided that if any increase in density beyond the Building Density Standard results in a service failure or deficiency, Landlord shall have no obligation to remedy any service failure or deficiency due to Landlord's inability to provide the services required in this Lease at the level set forth herein as a result of Tenant exceeding such Building Density Standard and in such event, Landlord shall not be in default under this Lease for such service failure or deficiency. Notwithstanding anything in this Lease to the contrary, and after the Commencement Date, as between Landlord and Tenant: (a) Tenant shall bear the risk of complying with Title III of the Americans With Disabilities Act of 1990, any state Laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such Laws, as amended from time to time (the "**Disabilities Acts**") in the Premises; and (b) Landlord shall bear the risk of complying with the Disabilities Acts in the Common Areas (subject to reimbursement as set forth in Exhibit C), other than compliance that is necessitated by Tenant's specific use of the Premises (if different than general office use) or as a result of any Alterations made by Tenant (which risk and responsibility shall be borne by Tenant). Tenant shall not use any substantial portion of the Premises for a "call center", any other telemarketing use, or any credit processing use. In addition, the Premises shall not be used for any purpose which creates strong, unusual, or offensive odors, fumes, dust or vapors; which emits noise or sounds that are objectionable and not customary for general office use due to intermittence, beat, frequency, shrillness, or loudness; which is associated with indecent or pornographic matters. Tenant shall conduct its business and control each other Tenant Party so as not to create any nuisance or unreasonably interfere with other tenants or Landlord in its management of the Building. Tenant shall not knowingly conduct or permit to be conducted in the Premises any activity or place any equipment in or about the Premises or the Building, which will invalidate the insurance coverage in effect or increase the rate of fire insurance or other insurance on the Premises or the Building. If any invalidation of coverage or increase in the rate of fire insurance or other insurance occurs or is threatened by any insurance company due to activity conducted from the Premises, or any act or omission by Tenant, or its agents, employees, representatives, or contractors, such statement or threat shall be conclusive evidence that the increase in such rate is due to such act of Tenant or the contents or equipment in or about the Premises, and, as a result thereof, Tenant shall be liable for such increase and such increase shall be considered Additional Rent payable with the next monthly installment of Base Rent due under this Lease. In no event shall Tenant introduce or permit to be kept on the Premises or brought into the Building any dangerous, noxious, radioactive or explosive substance.

Tenant shall not use or operate the Premises in any manner that will cause the Building or any part thereof not to conform with Landlord's Sustainability Practices or certification of the Building in accordance with Green Building Certification.

In locations where the Building is subject to penalties as a result of a greenhouse gas (GHG) emissions limit, if the Building is found in violation of the limit, Landlord may reasonably determine the portion of the penalties that are attributable to Tenant and hold Tenant accountable for their portion of the penalty that has been levied on the Building. Landlord shall have the burden to demonstrate to Tenant, the portion of the penalty attributable to Tenant. The portion may be determined using the collection of data from submeters to determine Tenant's actual energy consumption and emissions, calculations based on the floor area of tenants' respective leased spaces, number and frequency of occupants and/or visitors in a leased space, and/or operating hours within the Building, a combination of both submetering and calculations, or other methods.

10. **Assignment and Subletting»**

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(a) **Transfers»**

. Tenant shall not, without the prior written consent of Landlord: (1) assign, transfer, license or encumber this Lease or any estate or interest herein, whether directly or by operation of law; (2) sublet any portion of the Premises; (3) grant any license, concession, or other right of occupancy of any portion of the Premises; or (4) permit the use of the Premises by any parties other than Tenant (any of the events listed in Section 10(a)(1) through Section 10(a)(6) being a "**Transfer**").

(b) **Consent Standards»**

. Landlord shall not unreasonably withhold, condition or delay its consent to any assignment of this Lease or subletting of all or a portion of the Premises, provided that Tenant is not then in default under the Lease beyond any applicable notice and cure period and the proposed transferee: (1) can reasonably perform its required financial obligations under the Lease or sublease, as the case may be, taking into account Tenant's continuing liability; (2) [intentionally omitted]; (3) will use the Premises for the Permitted Use; (4) [intentionally omitted]; (5) is not a governmental entity, or subdivision or agency thereof; (6) if Landlord has vacant space in the Building comparable to the Premises (in the case of an assignment of this Lease) or the proposed sublease premises that will be available for the duration of the Term of this Lease or sublease term, as applicable and the assignee or subtenant, as the case may be, is not another tenant of the Building or Complex, as applicable; and (7) is not a person or entity with whom Landlord is then, or has entered into a letter of intent to lease comparable space in the Building within the three (3)-month period prior to the time Tenant seeks to enter into such assignment or subletting. If the proposed assignee or sublessee does not meet any of the foregoing requirements (1) through (7), then Landlord may withhold its consent in its sole discretion; otherwise, Landlord shall not unreasonably withhold, condition or delay its consent to any assignment of this Lease or subletting of all or a portion of the Premises by Tenant. Notwithstanding the foregoing, it shall be a reasonable basis for Landlord to withhold its consent if Tenant tenders for Landlord's approval an assignment of this Lease, or a sublease of the Premises or any part of the Premises or a license agreement for the use and occupancy of the Premises or any part of the Premises, to a proposed

assignee/subtenant/licensee whose proposed use or operation in the Premises may or will cause a material adverse change to the Building's operations and utility consumption.

(c) **Request for Consent»**

. If Tenant requests Landlord's consent to a Transfer, then, at least ten (10) Business Days prior to the effective date of the proposed Transfer, Tenant shall provide Landlord with a written description of all material terms and conditions of the proposed Transfer, copies of the proposed assignment or sublease, and the following information about the proposed transferee: name and address; its proposed use of the Premises; and banking, financial, and other credit information. Landlord shall enter into any commercially reasonable non-disclosure agreement required by Tenant or any such transferee with respect to any financial or other confidential information of such transferee provided to Landlord under this Lease. Tenant shall reimburse Landlord upon thirty (30) days of receipt of an invoice therefor for Landlord's reasonable attorneys' fees, not to exceed $2,500 per each request for Landlord's consent to a Transfer, incurred by Landlord in connection with considering any request for consent to a Transfer.

(d) **Conditions to Consent»**

. If Landlord consents to a proposed Transfer, then the proposed transferee shall deliver to Landlord a written agreement whereby it expressly assumes Tenant's obligations hereunder; however, any transferee of less than all of the space in the Premises shall be liable only for obligations under this Lease that are properly allocable to the space subject to the Transfer for the period of the Transfer. No Transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee shall be jointly and severally liable therefor. Landlord's consent to any Transfer shall not be deemed consent to any subsequent Transfers. If an Event of Default occurs and is continuing while the Premises or any part thereof are subject to a Transfer, then Landlord, in addition to its other remedies, may collect directly from such transferee all rents becoming due to Tenant and apply such rents against Rent. Tenant authorizes its transferees to make payments of rent directly to Landlord upon receipt of notice from Landlord to do so following the occurrence of an Event of Default hereunder. Following an Event of Default, all rents paid to Tenant by an assignee or subtenant shall be received by Tenant in trust for Landlord and shall be forwarded to Landlord without offset or reduction of any kind. Tenant shall pay for the cost of any demising walls or other improvements necessitated by a proposed subletting or assignment (provided that the foregoing shall not waive any approval right that Landlord may have with respect to such improvements pursuant to another provision of this Lease).

(e) **Attornment by Subtenants»**

. Each sublease and license by Tenant hereunder shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and each subtenant and licensee by entering into a sublease or license is deemed to have agreed that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, either terminate the sublease or license or take over all of the right, title and interest of Tenant, as sublandlord or licensor, under such sublease or license, and such transferee shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease or license, except that Landlord shall not be: (1) liable for any previous act or omission of Tenant under such

sublease or license; (2) subject to any counterclaim, offset or defense that such transferee might have against Tenant; (3) bound by any previous modification of such sublease or license or by any rent or additional rent or advance rent or license fee which such transferee might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment; (4) bound by any security or advance rental deposit made by such transferee which is not delivered or paid over to Landlord and with respect to which such transferee shall look solely to Tenant for refund or reimbursement; or (5) obligated to perform any work in the subleased or licensed space or to prepare it for occupancy, and in connection with such attornment, the transferee shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant or licensee of Tenant shall be deemed, automatically upon and as a condition of its occupying or using the Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 10(e). The provisions of this Section 10(e) shall be self-operative, and no further instrument shall be required to give effect to this provision.

(f) **[Intentionally omitted.]**

(g) **Additional Compensation»**

. Tenant shall pay to Landlord, immediately upon receipt thereof, fifty percent (50%) of the excess of all compensation received by Tenant for a Transfer over the sum of the Rent allocable to the portion of the Premises covered thereby and all of Tenant's costs and concessions including but not limited to brokerage, tenant improvement costs, free rent periods, attorneys' fees and other third party costs incurred by Tenant and relating to such Transfer, such costs to be amortized ratably over the term of the Transfer. Notwithstanding the foregoing, Tenant shall not be required to pay Landlord for any compensation received by Tenant for Tenant's fixtures, furniture and equipment that Tenant elects to transfer to any assignee or subtenant so long as such compensation does not exceed the fair market value of such fixtures, furniture and equipment.

(h) **Permitted Transfers.** Notwithstanding anything in this Lease to the contrary, Tenant shall have the right to assign this Lease or sublet all or any portion of the Premises (i) to an Affiliate or (ii) to a successor entity resulting from an acquisition, merger, spin off or consolidation of Tenant, or (iii) to any person or entity which acquires all or substantially all of the assets of Tenant (each, a "**Permitted Transfer**"), without the need to obtain Landlord's consent, provided that any transferee under the foregoing clause (ii) or clause (iii) has a tangible net worth at least equal to the tangible net worth of Tenant as of the Lease Date or immediately prior to such transfer, whichever is greater. Tenant shall (A) notify Landlord in writing within ten (10) Business Days of the closing of any such Permitted Transfer, and (B) with respect to a transfer described under the foregoing clause (ii) or clause (iii), provide reasonable evidence of the satisfaction of the foregoing tangible net worth requirement concurrently with such written notice. A Permitted Transfer shall not be subject to Sections 10(a) through (g).

11. **Insurance; Waivers; Subrogation; Indemnity»**

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(a) **Tenant's Insurance»**

. Effective as of the earlier of: (1) the date Tenant enters or occupies the Premises; or (2) the Commencement Date, and continuing throughout the Term, Tenant shall maintain the following insurance policies:

(i) Commercial General Liability Insurance in amounts of no less than $5,000,000 per occurrence for bodily injury and property damage, $5,000,000 each person or organization for personal and advertising injury, $5,000,000 general aggregate, and $5,000,000 products and completed operations aggregate covering: (A) premises/operations liability, (B) products/completed operations liability, (C) personal and advertising injury liability, (D) independent contractors liability, and (E) broad form contractual liability. Such policy shall: (1) be primary and non-contributory to any insurance or self-insurance maintained by Tenant, Landlord, Landlord's property management company and Invesco with respect to the use and occupancy of the Premises including all operations conducted thereon; (2) include severability of interests or cross liability provisions; (3) be endorsed to add Landlord, Landlord's property management company, and Invesco as additional insureds using Insurance Services Office ("**ISO**") form CG 20 26 11 85 or a substitute equivalent form approved in writing by Landlord; (4) include terrorism coverage up to the full per occurrence and aggregate limits available under the policy; and (5) insure other activities that Landlord reasonably deems necessary based upon the specific use of the Premises by Tenant, such as insurance for liquor liability. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Tenant may maintain such insurance on a multi-location basis provided that the aggregate limits or sublimits on each policy are dedicated to the Premises and thereby not subject to dilution by claims occurring at other locations.

(ii) Automobile Liability Insurance covering the ownership, maintenance, and operations of any automobile or automotive equipment, whether such auto is owned, hired, and non-owned. Tenant shall maintain insurance with a combined single limit for bodily injury and property damage of not less than the equivalent of $1,000,000 per accident. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Such insurance shall cover Tenant against claims for bodily injury, including death resulting therefrom, and damage to the property of others caused by accident regardless of whether such operations are performed by Tenant, Tenant's agents, or by any one directly or indirectly employed by any of them. Tenant's automobile liability insurance shall be endorsed to add Landlord, Landlord's property management company, and Invesco as additional insureds.

(iii) Commercial Property Insurance covering at full replacement cost value the following property in the Premises: (A) inventory; (B) FF&E (unattached furniture, fixtures, and equipment); (C) Alterations made by the Tenant including but not necessarily limited to all permanently attached fixtures and equipment (which expressly excludes the Work); and (D) any other property in which the Tenant retains the risk of loss including electronic data processing equipment, employee personal property or other property owned or leased by Tenant. Such property insurance shall include: (1) coverage against such perils as are commonly included in the special causes of loss form, with no exclusions for wind and hail, vandalism and malicious

mischief, and endorsed to add the perils of earthquake, flood, and terrorism; (2) business income coverage providing for the full recovery of loss of rents and continuing expenses on an actual loss sustained basis for a period of not less than 12 months; (3) an "agreed amount" endorsement waiving any coinsurance requirements; and (4) a loss payable endorsement providing that Tenant, Landlord, and Landlord's Mortgagee (as hereinafter defined) shall be a loss payee on the policy with regard to the loss of rents coverage. "Full replacement value," as used herein, means the cost of repairing, replacing, or reinstating, including demolishing, any item of property, with materials of like kind and quality in compliance with, (and without, an exclusion pertaining to application of), any Law or building ordinance regulating repair or construction at the time of loss and without deduction for physical, accounting, or any other depreciation, in an amount sufficient to meet the requirements of any applicable co-insurance clause and to prevent Tenant from being a co-insurer.

(iv) Builders' Risk Insurance on an "all risk" form that does not exclude the perils of flood, earthquake, and terrorism covering on a completed value basis all work incorporated in the Premises and all materials and equipment in or about the Premises in connection with construction activities where Tenant notifies Landlord of its intent to undertake a substantial rebuild of the Premises and Landlord determines that such coverage is necessary. Limits and terms to coverage are to be reasonably determined by Landlord upon notification by Tenant consistent with the requirements of other landlords of first class office buildings in the Kendall Square area. Tenant may satisfy the requirement of this Section 11(a)(iv) by requiring that any contractor retained by Tenant and performing construction activities on the Premises carry such insurance.

(v) Workers Compensation Insurance covering statutory benefits in the state where the Premises is located. This policy shall include "other states" insurance, so as to include all states not named on the declarations page of the insurance policy, except for the monopolistic states. Tenant is required to carry this insurance regardless of eligibility for waiver or exemption of coverage under any applicable state statute. Such insurance shall include an employers liability coverage part with limits that shall be not less than $1,000,000 each accident for bodily injury by accident and $1,000,000 each employee and policy limit for bodily injury by disease.

(vi) Such other insurance or any changes or endorsements to the insurance required herein, including increased limits of coverage, as Landlord, or Landlord's Mortgagee, may reasonably require from time to time provided any such other insurance or changes are consistent with the tenant insurance requirements of other first class office buildings in the Kendall Square area.

Tenant's commercial general liability insurance, automobile liability insurance and, all other insurance policies, where such policies permit coverage for Landlord as an additional insured, shall provide primary coverage to Landlord and shall not require contribution by any insurance maintained by Landlord, when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy. Tenant shall furnish to Landlord certificates of such insurance, and where applicable with an additional insured endorsement in form CG 20 26 11 85 (or another equivalent form approved in writing by Landlord) and such other evidence reasonably satisfactory to Landlord of the

maintenance of all insurance coverages required hereunder at least ten (10) days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises, and at least fifteen (15) days prior to each renewal of said insurance, and Tenant shall endeavor to obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days before cancellation, non-renewal or a material change of any such insurance policies. All such insurance policies shall be in form and issued by companies licensed to do business in the state where the Premises is located, rated by AM Best as having a financial strength rating of "A-" or better and a financial size category of "IX" or greater, or otherwise reasonably satisfactory to Landlord. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of two and one-half percent (2.5%) of such cost. It is expressly understood and agreed that the foregoing minimum limits of liability and coverages required of Tenant's insurance shall not reduce or limit the obligation of the Tenant to indemnify Landlord as provided in this Lease. All policies required herein shall use occurrence based forms. Any and all of the premiums, deductibles and self-insured retentions associated with the policies providing the insurance coverage required herein shall be assumed by, for the account of, and at the sole risk of Tenant. Deductibles or self-insured retentions may not exceed $10,000 without the prior written approval of Landlord.

(b) **Landlord's Insurance**

. Throughout the Term of this Lease, Landlord shall maintain, as a minimum, the following insurance policies: (1) property insurance for the Building's replacement value (excluding property required to be insured by Tenant, it being agreed that Landlord shall have no obligation to provide insurance for such property), less a commercially-reasonable deductible if Landlord so chooses; and (2) commercial general liability insurance in an amount of not less than $3,000,000 per occurrence for bodily injury and property damage, $3,000,000 each person or organization for personal and advertising injury, $3,000,000 general aggregate, and $3,000,000 products and completed operations aggregate. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary. Tenant shall pay its Proportionate Share of the cost of all insurance carried by Landlord with respect to the Project or Complex, as applicable, as set forth on Exhibit C. The foregoing insurance policies and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

(c) **Waiver of Subrogation**

. Notwithstanding anything to the contrary herein, to the extent permitted by Law and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant shall each agree to waive any right to recover against the other party (and the other party's agents, officers, directors and employees) on account of any and all claims it may have against the other party (and the other party's agents, officers, directors and employees) with

respect to the insurance actually maintained, or required to be maintained hereunder, under subparagraphs 11(a)(i) through (iv), inclusive, and Section 11(b). Each policy described in this Lease shall contain a waiver of subrogation endorsement that provides that the waiver of any right to recovery shall not invalidate the policy in any way.

(d) **Indemnity**

. Subject to Section 11(c) and except to the extent otherwise provided in M.G.L. Chapter 186, Section 15, Tenant shall indemnify, defend and hold harmless Landlord and the Indemnitees from and against all third party claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including reasonable attorneys' fees) and all losses and damages arising from any injury to or death of any person or the damage to or theft, destruction, loss, or loss of use of any property or inconvenience arising from any occurrence in the Premises, the use of the Common Areas by any Tenant Party, or the installation, operation, maintenance, repair or removal of any of Tenant's Off-Premises Equipment. The indemnities set forth in this Section 11(d) shall survive termination or expiration of this Lease and shall not terminate or be waived, diminished or affected in any manner by any abatement or apportionment of Rent under any provision of this Lease. Subject to Section 11(c) and except to the extent arising from the negligence or willful misconduct of any Tenant Party, Landlord shall indemnify, defend and hold harmless Tenant and the Tenant Parties from and against any and all claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including reasonable attorneys' fees) and all losses and damages arising from any injury to or death of any person or the damage to or theft, destruction, loss, or loss of use of any property or inconvenience arising from any occurrence in the Common Areas to the extent caused by the negligence or willful misconduct of Landlord or its employees or agents.

12. **Subordination; Attornment; Notice to Landlord's Mortgagee»**

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(a) **Subordination»**

. Provided that Landlord, Tenant, and Landlord's Mortgagee enter into a mutually agreeable subordination, non-disturbance, and attornment agreement ("**SNDA**"), this Lease shall be subordinate to any deed of trust, mortgage, or other security instrument (each, as renewed, modified, and/or extended from time to time, a "**Mortgage**"), or any ground lease, master lease, or primary lease (each, as renewed, modified, and/or extended from time to time, a "**Primary Lease**"), that now or hereafter covers all or any part of the Premises (the mortgagee under any such Mortgage, beneficiary under any such deed of trust, or the lessor under any such Primary Lease is referred to herein as a "**Landlord's Mortgagee**"). Any Landlord's Mortgagee may elect at any time, unilaterally, to make this Lease superior to its Mortgage, Primary Lease, or other interest in the Premises by so notifying Tenant in writing. Tenant shall execute and return to Landlord (or such other party designated by Landlord) within twenty (20) Business Days after written request therefor a commercially reasonable SNDA, in recordable form, as a Landlord's Mortgagee may reasonably request to evidence the subordination of this Lease to such Landlord's Mortgagee's Mortgage or Primary Lease or, if Landlord's Mortgagee so elects, the subordination of such Landlord's Mortgagee's Mortgage or Primary Lease to this Lease. As of the Lease Date,

there is no Mortgage currently encumbering the Premises. Any SNDA entered into prior to the final completion of the Work must include a right of Tenant to offset from Rent the cost to complete the Work if Landlord's Mortgagee elects not to complete the Work following any foreclosure or other title transfer of the Land to Landlord's Mortgagee or its successor.

(b) **Attornment»**

. Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and shall execute such agreements confirming such attornment as such party may reasonably request.

(c) **Notice to Landlord's Mortgagee»**

. Tenant shall not seek to enforce any remedy it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's Mortgagee whose address has been given to Tenant, and affording such Landlord's Mortgagee a reasonable opportunity to perform Landlord's obligations hereunder, but in no event longer than five (5) Business Days than any cure period provided to Landlord hereunder.

13. **Rules and Regulations»**

. Tenant shall comply with the rules and regulations of the Building which are attached hereto as Exhibit E. Landlord, upon prior written notice to Tenant, may, from time to time, change such rules and regulations for the safety, care, or cleanliness of the Building and related facilities, provided that such changes are reasonable and will not unreasonably interfere with Tenant's use of the Premises, and provided that the same are not enforced by Landlord against Tenant in a discriminatory manner. Tenant shall be responsible for the compliance with such rules and regulations by each Tenant Party.

14. **Condemnation»**

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(a) **Total Taking»**

. If the entire Building or Premises are taken by right of eminent domain or conveyed in lieu thereof (a "**Taking**"), this Lease shall terminate as of the date of the Taking.

(b) **Partial Taking - Tenant's Rights»**

. If any part of the Building becomes subject to a Taking and such Taking will prevent Tenant from conducting its business in the Premises or accessing the Premises in a manner reasonably comparable to that conducted immediately before such Taking for a period of more than one hundred twenty (120) days, then Tenant may terminate this Lease as of the date of such Taking by giving written notice to Landlord within sixty (60) days after the Taking, and Rent shall

be apportioned as of the date of such Taking. If Tenant does not terminate this Lease, then, commencing on the date of the Taking, Rent shall be abated on a per square foot basis as to that portion of the Premises rendered untenantable by the Taking.

(c) **Partial Taking - Landlord's Rights»**

. If any material portion, but less than all, of the Building becomes subject to a Taking, or if Landlord is required to pay any of the proceeds arising from a Taking to a Landlord's Mortgagee, then Landlord may terminate this Lease by delivering written notice thereof to Tenant within thirty (30) days after such Taking, and Rent shall be apportioned as of the date of such Taking. If Landlord does not so terminate this Lease, then this Lease will continue, but if any portion of the Premises has been taken, or if access to the Premises has been taken, Rent shall abate as provided in the last sentence of Section 14(b).

(d) **Award»**

. If any Taking occurs, then Landlord shall receive the entire award or other compensation for the Land, the Building, and other improvements taken (exclusive of any portion of such award designated for Tenant's moving expenses or allocable to its personal property and equipment); however, Tenant may separately pursue a claim against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have.

15. **Fire or Other Casualty»**

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(a) **Repair Estimate»**

. If the Premises or the Building are damaged by fire or other casualty (a "**Casualty**"), Landlord shall deliver to Tenant within sixty (60) days after such Casualty a good faith estimate (the "**Damage Notice**") of the time needed to repair the damage caused by such Casualty.

(b) **Tenant's Rights»**

. If (1) a material portion of the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises, or accessing the Premises, in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within two hundred (200) days after the commencement of repairs (the "**Repair Period**") (such Repair Period constituting Landlord's good faith estimate to be set forth in the Damage Notice); (2) more than fifty percent (50%) of the Premises is damaged during the last two (2) years of the Term; or (3) more than twenty-five percent (25%) of the Premises is damaged during the last one (1) year of the Term, then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

(c) **Landlord's Rights»**

. If a Casualty damages the Premises or a material portion of the Building and: (1) Landlord estimates that the damage to the Premises cannot be repaired within the Repair Period; (2) the damage to the Premises exceeds fifty percent (50%) of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two (2) years of the Term; (3) the damage to the Premises exceeds twenty-five percent (25%) of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last one (1) year of the Term (4) regardless of the extent of damage to the Premises, Landlord makes a good faith determination that restoring the Building would not be uneconomical (provided that Landlord also terminates the leases of all similarly situated tenants); or (5) Landlord is required to pay any insurance proceeds arising out of the Casualty to a Landlord's Mortgagee, then Landlord may terminate this Lease by giving written notice of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

(d) **Repair Obligation»**

. If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and the Common Areas and shall proceed with reasonable diligence to restore the Premises and the Common Areas to substantially the same condition as they existed immediately before such Casualty; however, other than building standard leasehold improvements installed by Landlord, Landlord shall not be required to repair or replace any Alterations within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Building, and Landlord's obligation to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord for the Casualty in question (provided that Landlord diligently pursues any such insurance claims and proceeds). If this Lease is terminated under the provisions of this Section 15, Landlord shall be entitled to an equitable portion of the proceeds of the insurance policies providing coverage for all Alterations in the Premises equal to the product of (1) Tenant's insurance proceeds allocable to Alterations and (2) a fraction, the numerator of which is the amount of any tenant improvement allowance paid by Landlord for the cost of such Alterations and the denominator of which is the total cost of any such Alterations (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

(e) **Abatement of Rent»**

. If the Premises are damaged by Casualty, Rent for the portion of the Premises rendered untenantable by the damage shall be abated on a per square foot basis from the date of damage until the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be).

16. **Personal Property Taxes»**

. Tenant shall be liable for all taxes levied or assessed against personal property, furniture, or fixtures placed by Tenant in the Premises or in or on the Building or Project. If any taxes for which Tenant is liable are levied or assessed against Landlord or Landlord's property and Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by inclusion of such personal property, furniture or fixtures and Landlord elects to pay the taxes based on such increase, then Tenant shall pay to Landlord, within thirty (30) days following written request therefor, the part of such taxes for which Tenant is primarily liable hereunder.

17. **Events of Default»**

. Each of the following occurrences shall be an "**Event of Default**":

(a) **Payment Default»**

. Tenant's failure to pay Rent within five (5) Business Days after the same is due; provided, however, that for the first two (2) payment defaults in each Lease Year, Landlord shall provide Tenant written notice of such default and Tenant shall have five (5) Business Days to cure such default after its receipt of such written notice;

(b) **Abandonment»**. Tenant abandons the Premises, abandonment being defined as Tenant's vacation of the Premises and failure to meet its obligations under the Lease (including, without limitation, its maintenance and repair obligations);

(c) **Estoppel/Financial Statement/Commencement Date Letter»**

. Tenant fails to provide: (i) any estoppel certificate after Landlord's written request therefor pursuant to Section 26(e) or (ii) any financial statement after Landlord's written request therefor pursuant to Section 26(q) and either of such failures shall continue for ten (10) days after Landlord's second written notice thereof to Tenant, with such second (2nd) written notice being sent only after the expiration of the applicable time period to respond to the initial request as set forth in Section 26;

(d) **Insurance»**

. Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required under Section 11(a) within five (5) Business Days after written notice from Landlord to Tenant;

(e) **Mechanic's Liens»**

. Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's lien filed against the Premises or the Project for any work performed, materials furnished, or obligation incurred by or at the request of Tenant, within the time and in the manner required by Section 8(c);

(f) **Other Defaults»**

. Tenant's failure to perform, comply with, or observe any other agreement or obligation of Tenant under this Lease and the continuance of such failure for a period of thirty (30) calendar days or more after Landlord has delivered to Tenant written notice thereof; provided, however, that so long as Tenant commences to cure such default within such 30-day period and diligently prosecutes such cure to completion, then it shall not be an Event of Default; and

(g) **Insolvency; Dissolution»**

. The filing of a petition by or against Tenant (the term "**Tenant**" shall include, for the purpose of this Section 17(g), any guarantor of Tenant's obligations hereunder): (1) in any bankruptcy or other insolvency proceeding; (2) seeking any relief under any state or federal debtor relief law; (3) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; or (4) for the reorganization or modification of Tenant's capital structure; however, if such a petition is filed against Tenant, then such filing shall not be an Event of Default unless Tenant fails to have the proceedings initiated by such petition dismissed within sixty (60) calendar days after the filing thereof. Tenant or any guarantor of Tenant's obligations hereunder dissolves itself as a separate entity or winds down its business or fails to maintain its authorization to do business in the state in which the Premises is located and does not remedy such failure within thirty (30) days after Landlord has delivered to Tenant written notice thereof.

(h) **Landlord's Default**

. In the event of any default by Landlord, Tenant will give Landlord written notice specifying such default with particularity, and Landlord shall thereupon have thirty (30) days (or such longer period as may be reasonably required in the exercise of due diligence) in which to cure such default. Landlord's failure to cure such default within the specified time period or to diligently prosecute the cure of such default, will be a "**Landlord's Default**", and Tenant shall have all the rights and remedies available to Tenant under this Lease and at law or in equity; provided, however, in no event will any Landlord's default allow Tenant to terminate this Lease or offset or reduce rent, unless such rights are specifically provided for in this Lease or awarded by the final, non-appealable judgment or decree of a competent court having jurisdiction over this Lease and the Project, and in no event will Landlord be liable to Tenant for any consequential, special or punitive damages. All obligations of Landlord hereunder will be construed as covenants, not conditions.

18. **Remedies»**

. Upon any Event of Default, Landlord may, in addition to all other rights and remedies afforded Landlord hereunder or by law or equity, take any one or more of the following actions:

(a) **Termination of Lease»**

. Terminate this Lease by giving Tenant written notice thereof or by making entry thereof for the purposes of terminating this Lease, and upon the delivery of such written notice or the making of such entry this Lease shall terminate, in which event Landlord shall be entitled to recover from Tenant the sum of: (1) all Rent accrued hereunder through the date of termination; (2) all amounts due under Section 19(a); and (3) (I) an amount equal to (A) the total Rent that

Tenant would have been required to pay for the remainder of the Term discounted to present value at a per annum rate equal to the Prime Rate ("**Prime Rate**" shall be the per annum interest rate publicly announced by a federally insured bank selected by Landlord in the state in which the Premises is located as such bank's prime or base rate) minus one percent (1%), minus (B) the then present fair rental value of the Premises for such period, similarly discounted (such amount described in this clause (I), the "**Rent Acceleration Remedy**"), and (II) unless and until Landlord elects the Rent Acceleration Remedy, all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term on the date such amounts are due and payable under this Lease, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period, after deducting all reasonable costs incurred by Landlord in reletting the Premises. Suit or suits for the recovery of such amounts under the foregoing clause (II), or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term would have expired if it had not been terminated hereunder. Upon a termination of this Lease due to an Event of Default, Landlord shall use commercially reasonable efforts to relet the Premises which may include a term different from the Term, rental concessions, and alterations to, and improvement of, the Premises; however, Landlord shall not be obligated to expend funds in connection with reletting the Premises, nor to relet the Premises before leasing other portions of the Building or Complex, as applicable, and Landlord shall not be obligated to accept any prospective tenant proposed by Tenant unless such proposed tenant meets all of Landlord's leasing criteria. So long as Landlord is undertaking such commercially reasonable efforts to relet the Premises, Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term;

(b) **[Intentionally Omitted]»**

;

(c) **Perform Acts on Behalf of Tenant»**

. Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any third party out of pocket expenses which Landlord may reasonably incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and reasonable legal expenses), plus interest thereon at the Default Rate; or

(d) **Options»**

. During such time as any Event of Default is uncured, Tenant may not exercise any renewal options, lease options or any other options or elections, and any exclusive use rights or prohibited use restrictions shall not be enforceable by Tenant.

19. **Payment by Tenant; Non-Waiver; Cumulative Remedies»**

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(a) **Payment by Tenant»**

. Upon any Event of Default, Tenant shall pay to Landlord all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in: (1) obtaining possession of the Premises; (2) removing and storing Tenant's or any other occupant's property; (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant; (4) if Tenant is dispossessed of the Premises and this Lease is not terminated, reletting all or any part of the Premises (including brokerage commissions, cost of tenant finish work, and other costs incidental to such reletting); (5) performing Tenant's obligations which Tenant failed to perform; and (6) enforcing its rights, remedies, and recourses arising out of the Event of Default. In addition, if Landlord made or paid for any improvements to the Premises, or granted Tenant any improvement allowance or credit against the Base Rent or other charges due hereunder for Tenant's improvements, then Landlord shall also be entitled to recover the unamortized portion of the cost of such improvements or the amount of such allowance or credit, determined by multiplying the total amount of such cost or allowance or credit by a fraction, the denominator of which is the total number of months of the initial Term and the numerator of which is the number of months of the Term remaining at the time of Tenant's default. To the full extent permitted by Law, Landlord and Tenant agree the federal and state courts of the state in which the Premises are located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

(b) **No Waiver»**

. Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding such Event of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the Rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of Rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of Rent shall not constitute an accord and satisfaction of the full amount of the Rent that is due.

(c) **Cumulative Remedies»**

. Any and all remedies set forth in this Lease: (1) shall be in addition to any and all other remedies Landlord may have at law or in equity; (2) shall be cumulative; and (3) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future.

(d) **No Designation»**

. If Tenant is in arrears in payment of Rent, Tenant waives its right, if any, to designate the items to which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to such items as Landlord sees fit, irrespective of any designation or request by Tenant as to the items to which any such payments shall be credited.

20. **[Intentionally omitted]**

21. **Surrender of Premises»**

. Prior to the expiration or earlier termination of this Lease, no act by Landlord shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it is in writing and signed by Landlord. At the expiration or termination of this Lease, Tenant shall deliver to Landlord the Premises with all improvements located therein in the condition required by the first sentence of Section 8(b)(ii), with all Required Removables, as defined below, removed and all damage resulting from such removal shall have been repaired, free of Hazardous Materials (as defined in Section 25(i) below) placed on the Premises during the Term (excluding any such placement by Landlord, its agents, contractors, or employees), and shall deliver to Landlord all keys to the Premises. Provided that Tenant has performed all of its obligations hereunder, Tenant may remove all unattached trade fixtures, furniture, and personal property placed in the Premises or elsewhere in the Building by Tenant (but Tenant may not remove any such item which was paid for, in whole or in part, by Landlord, excluding Tenant's AV and IT Equipment, as defined below). Tenant shall have no obligation to remove any Cable at the expiration or earlier termination of this Lease. In addition, Landlord, by written notice to Tenant at the time Landlord consents to any Alterations (including the Work), may require Tenant, at Tenant's expense, to remove any improvements or other affixed installations that were performed by or installed by or on behalf of Tenant and that, in Landlord's reasonable judgment, are of a nature that would entail removal and repair costs that are materially in excess of the removal and repair costs associated with standard office installations, including, without limitation, shower rooms, kitchens, executive bathrooms, raised computer floors, computer room installations, supplemental HVAC equipment, generators, telecommunications equipment (excluding the Cable), safe deposit boxes, vaults, libraries or file rooms requiring reinforcement of floors, internal staircases, slab penetrations, conveyors, curved walls, drop ceilings, and any other improvements of a similar character and/or incorporating unusual architectural elements or requiring unusual expense to remove and restore ("**Specialty Alterations**"). Unless otherwise expressly provided by Landlord at the time Tenant obtains Landlord's consent to any Specialty Alterations, all Specialty Alterations shall be deemed "**Required Removables**". Tenant shall repair all damage caused by such removal. All items not so removed shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord at Tenant's cost without notice to Tenant and without any obligation to account for such items. The provisions of this Section 21 shall survive the expiration or earlier termination of the Lease.

22. **Holding Over»**

. If Tenant fails to vacate the Premises at the end of the Term, then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies to which Landlord may be entitled for such holding over: (a) Tenant shall pay a holdover charge equal to (i) one hundred fifty percent (150%) of the Base Rent payable during the last month of the Term, plus (ii) one hundred percent (100%) of the Additional Rent payable during the last month of the Term; and (b) Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease. The provisions of this Section 22 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at Law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender; provided, however, that Tenant shall not be liable for Landlord's lost profits or consequential damages unless such holdover persists for more than thirty (30) days after the end of the Term.

23. **Certain Rights Reserved by Landlord»**

. Landlord shall have the following rights:

(a) **Building Operations»**

. To decorate and to make inspections, repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Project or Complex, as applicable, or any part thereof; to enter upon the Premises (after giving Tenant reasonable prior notice thereof (but not less than one (1) Business Day), which may be email notice to Etchell Cordero, at (or such other individual as may be designated by Tenant from time to time), except in cases of real or apparent emergency, in which case no notice shall be required) and, during the continuance of any such work, to temporarily close doors, entryways, public space, and corridors in the Building; to interrupt or temporarily suspend Building services and facilities; to change the name of the Building; and to change the arrangement and location of entrances or passageways, doors, and doorways, corridors, elevators, stairs, restrooms, or other public parts of the Building (but not the Premises or access to the Premises). Any actions of Landlord under this Section 23(a) or any other term or provision of this Lease that allows Landlord access to the Premises for maintenance or repairs or to make alterations, repairs, maintenance, modifications or improvements to the Premises or the Common Areas or otherwise are subject to the following: Landlord shall (i) use commercially reasonable efforts not to unreasonably interfere with Tenant's use of the Premises, (ii) not materially (*i.e.*, by more than 1%) reduce the number of usable square feet in the Premises, which means that, without limitation, any structures, facilities or improvements made by Landlord and installed in the Premises shall, to the extent practicable, be behind finished walls, above ceiling titles or below any finished flooring, (iii) use commercially reasonable efforts not to create undue noise and vibration that unreasonably interferes with Tenant's use or occupancy of the Premises, (iv) not provide less than one (1) Business Day prior email notice to Tenant (except in the event of an emergency), or (v) not access any so-called "secure areas" in the Premises designated by Tenant without the presence of a representative of Tenant (except in the event of an emergency) provided that Tenant makes such representative available at the requested time of entry. Landlord shall use commercially reasonable efforts to perform any such work in a manner so as not to

unreasonably interfere with Tenant's operation of its business from the Premises and to diligently prosecute the same to completion and in a commercially reasonable expeditious manner. During any access by Landlord to the Premises under this Section 23 (except in the event of an emergency), Tenant shall have the right to have a representative present provided that Tenant makes such representative available at the requested time of entry. Notwithstanding anything in this Section 23(a) to the contrary, and in connection with any access to or work in the Premises performed by Landlord or its contractors, employees, or agents, (i) if Tenant reasonably determines that such work (excluding any emergency work) is likely to unreasonably interfere with Tenant's use of the Premises or create an undue noise and vibration that unreasonably interferes with Tenant's use or occupancy of the Premises and Tenant notifies Landlord of the same in writing, Landlord shall perform such work outside of Normal Business Hours and (ii) if during the time that any such access or work by Landlord or its contractors, employees, or agents is scheduled to be performed in the Premises (excluding any emergency work), Tenant is then-holding (or is scheduled to hold) an in-person board meeting, executive level meeting, or other in-person event that is not a typical, regular and routine meeting, Tenant may request that Landlord reschedule such access or work to a date and time that does not conflict with such meeting or event, and, if requested, Landlord shall so reschedule the same.

(b) **Security»**

. To take such reasonable security measures as Landlord deems advisable that are in addition to Landlord's Services described on Exhibit H (provided, however, that any such security measures are for Landlord's own protection, and Tenant acknowledges that Landlord is not a guarantor of the security or safety of any Tenant Party and that such security matters are the responsibility of Tenant), including evacuating the Building for cause, suspected cause, or for drill purposes; temporarily denying access to the Building for only so long as is reasonably necessary to resolve any such security issues; and closing the Building after Normal Business Hours and on Sundays and Holidays, subject, however, to Tenant's right to enter when the Building is closed after Normal Business Hours under such reasonable regulations as Landlord may prescribe from time to time. Except in the event of an emergency, Landlord shall provide prior email notice to Tenant of any such planned closures or restricted access.

(c) **Repairs and Maintenance»**

. To enter the Premises at all reasonable hours to perform Landlord's repair and maintenance obligations and rights under the Lease, but subject to Section 23(a) above;

(d) **Prospective Purchasers and Lenders»**

. To enter the Premises at all reasonable hours to show the Premises to prospective purchasers or lenders, but subject to Section 23(a) above; and

(e) **Prospective Tenants»**

. At any time during the last twelve (12) months of the Term (or earlier if Tenant has notified Landlord in writing that it does not desire to renew the Term) or at any time following

the occurrence of an Event of Default, to enter the Premises at all reasonable hours to show the Premises to prospective tenants.

24. **[Intentionally omitted]»**

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25. **Hazardous Materials»**

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(a) During the term of this Lease, Tenant shall comply with all Environmental Laws (as defined in Section 25(i) below) applicable to the operation or use of the Premises by Tenant or any Tenant Party and will cause all other persons occupying or using the Premises to comply with all such Environmental Laws and will pay or cause to be paid all costs and expenses incurred by reason of such compliance.

(b) Tenant shall not generate, use, treat, store, handle, release or dispose of, or permit by any Tenant Party the generation, use, treatment, storage, handling, release or disposal of Hazardous Materials (as defined in Section 25(i) hereof) on the Premises, or the Complex, or transport or permit the transportation of Hazardous Materials to or from the Premises or the Complex except for limited quantities of household cleaning products and office supplies used or stored at the Premises and required in connection with the routine operation and maintenance of the Premises, and in compliance with all applicable Environmental Laws, and in compliance with the rules and regulations of the Building.

(c) At any time and from time to time during the Term of this Lease, and upon Landlord's good faith reasonable opinion that Hazardous Materials have been released in the Premises in violation of this Section 25, Landlord may perform, at Landlord's sole cost and expense, an environmental site assessment report concerning the Premises, prepared by an environmental consulting firm chosen by Landlord, indicating the presence or absence of Hazardous Materials caused or permitted by Tenant and the potential cost of any compliance, removal or remedial action in connection with any such Hazardous Materials on the Premises. If the presence of Hazardous Material is confirmed by such environmental site assessment report, Tenant shall reimburse Landlord for the actual cost of the assessment within thirty (30) days of receipt of an invoice therefor. Subject to the terms and provisions of Section 23(a), Tenant shall grant and hereby grants to Landlord and its agents access to the Premises and specifically grants Landlord an irrevocable non-exclusive license to undertake such an assessment.

(d) Tenant will promptly advise Landlord in writing of Tenant's actual notice of any of the following: (1) any pending or threatened Environmental Claim (as defined in Section 25(i) below) against Tenant relating to the Premises or the Complex; (2) any condition or occurrence on the Premises or the Complex that (a) results in noncompliance by Tenant with any applicable Environmental Law, or (b) could reasonably be anticipated to form the basis of an Environmental Claim against Tenant or Landlord or the Premises; (3) any condition or occurrence on the Premises or any property adjoining

the Premises that could reasonably be anticipated to cause the Premises to be subject to any restrictions on the ownership, occupancy, use or transferability of the Premises under any Environmental Law; and (4) the actual or anticipated taking of any removal or remedial action by Tenant in response to the actual or alleged presence of any Hazardous Material on the Premises or the Complex. All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and Tenant's response thereto. In addition, Tenant will provide Landlord with copies of all communications regarding the Premises with any governmental agency relating to Environmental Laws, all such communications with any person relating to Environmental Claims, and such detailed reports of any such Environmental Claim in Tenant's possession as may reasonably be requested by Landlord.

(e) [Intentionally omitted.]

(f) Tenant agrees to indemnify, defend and hold harmless the Indemnitees from and against all obligations (including removal and remedial actions), losses, claims, suits, judgments, liabilities, penalties, damages, costs and expenses (including reasonable attorneys' and consultants' fees and expenses) of any kind or nature whatsoever that may at any time be incurred by, imposed on or asserted against such Indemnitees directly or indirectly based on, or arising or resulting from (a) the actual or alleged presence of Hazardous Materials on the Complex which is brought on to the Complex by Tenant or a Tenant Party and (b) any Environmental Claim relating solely in any way to Tenant's operation or use of the Premises (the "**Hazardous Materials Indemnified Matters**"). The provisions of this Section 25(f) shall survive the expiration or sooner termination of this Lease.

(g) To the extent that the undertaking in the preceding paragraph may be unenforceable because it is violative of any Law or public policy, Tenant will contribute the maximum portion that it is permitted to pay and satisfy under applicable Law to the payment and satisfaction of all Hazardous Materials Indemnified Matters incurred by the Indemnitees.

(h) [Intentionally omitted.]

(i) (a) "**Hazardous Materials**" means: (i) petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and radon gas; (ii) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law; and (iii) any other substance exposure which is regulated by any governmental authority; (b) "**Environmental Law(s)**" means any federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including

without limitation, Massachusetts Oil and Hazardous Material Release, Prevention and Response Act, M.G.L. 21E, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Atomic Energy Act, 42 U.S.C. §§ 2011 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq.,; and (c) "**Environmental Claims**" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law, including without limitation (i) any and all claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

26. **Miscellaneous»**

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(a) **Landlord Transfer»**

. Landlord may transfer any portion of the Building and any of its rights under this Lease. If Landlord assigns all of its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes Landlord's obligations hereunder in writing.

(b) **Landlord's Liability»**

; **Tenant's Liability**. The liability of Landlord (and its partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Building or Complex shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Building, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency. Additionally, to the extent allowed by Law, Tenant hereby waives any statutory lien it may have against Landlord or its assets, including without limitation, the Building. Notwithstanding anything in this Lease to the contrary, the liability of Tenant to Landlord (or any person or entity claiming by, through or under Landlord) for any default by Tenant under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Building or the Complex shall be limited to Landlord's actual direct, but not consequential, damages therefor (except, with respect to consequential damages, as may be expressly provided in Section 22 hereof). In no event shall

Tenant's partners, shareholders, employees, officers or directors ever be personally liable to Landlord under this Lease.

(c) **Force Majeure»**

. Other than for Tenant's or Landlord's obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance or providing Tenant a credit or refund), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, acts of terrorism, governmental Laws, regulations, mandates or restrictions, or any other causes of any kind whatsoever which are beyond the reasonable control of such party ("**Force Majeure Event**").

(d) **Brokerage»**

. Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease, other than as set forth in the Basic Lease Information. Landlord and Tenant shall indemnify, defend and hold one another harmless from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.

(e) **Estoppel Certificates»**

. Not more than twice in any Lease Year (except in the event of a sale, equity investment, or financing of the Building or in the Event of Default), Tenant shall furnish to Landlord or any prospective purchaser of the Building or existing or prospective mortgagee to Landlord, within ten (10) Business Days after Landlord has made a written request therefor, a certificate signed by Tenant confirming (if correct) and containing such factual certifications and representations as to this Lease as Landlord may reasonably request. Unless otherwise required by Landlord's Mortgagee or a prospective purchaser or mortgagee of the Building, the initial form of estoppel certificate to be signed by Tenant is attached hereto as Exhibit G. Not more than twice in any Lease Year (except in the event of a corporate transaction by Tenant including a merger, acquisition, spin-off, or sale of all or substantially all of Tenant's assets), Landlord shall furnish to Tenant or any prospective purchaser of Tenant or any lender to Tenant, within ten (10) Business Days after Tenant has made a written request therefor, a certificate signed by Landlord confirming (if correct) and containing such factual certifications and representations as to this Lease as Tenant may reasonably request.

(f) **Notices»**

. All notices and other communications given pursuant to this Lease shall be in writing and shall be: (1) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified in the Basic Lease Information; (2) hand delivered to the intended addressee; (3) sent by a nationally

recognized overnight courier service; or (4) sent by email transmission during Normal Business Hours (with the delivery receipt function activated) followed by a copy of such notice sent in another manner permitted hereunder. All notices shall be effective upon the earlier to occur of actual receipt, one (1) Business Day following deposit with a nationally recognized overnight courier service, or three (3) days following deposit in the United States mail. The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

(g) **Separability»**

. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future Laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

(h) **Amendments; Binding Effect»**

. This Lease may not be amended except by instrument in writing signed by Landlord and Tenant. No course of prior or subsequent dealings between the parties or their officers, employees, agents or affiliates shall be relevant or admissible to supplement, explain or vary any of the terms of this Lease. No provision of this Lease shall be deemed to have been waived by Landlord or Tenant unless such waiver is in writing signed by Landlord or Tenant, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of Landlord or Tenant to insist upon the performance by Tenant or Landlord, respectively, in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided. This Lease is for the sole benefit of Landlord and Tenant, and, other than Landlord's Mortgagee, no third party shall be deemed a third-party beneficiary hereof.

(i) **Quiet Enjoyment»**

. Provided no Event of Default has occurred and is continuing, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance from Landlord or any party claiming by, through, or under Landlord, but not otherwise, subject to the terms and conditions of this Lease.

(j) **No Merger»**

. There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leasehold Premises or any interest in such fee estate.

(k) **No Offer**; Counterparts **»**

. The submission of this Lease to Tenant shall not be construed as an offer, and Tenant shall not have any rights under this Lease unless Landlord executes a copy of this Lease and delivers it to Tenant. This Lease may be executed in any number of counterparts, including by Docusign (or other similar program), .pdf or other electronic format, and each shall be considered an original and together they shall constitute one Lease.

(l) **Entire Agreement»**

. This Lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto. Time is of the essence with respect to this Lease.

(m) **Waiver of Jury Trial»**

. TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

(n) **Governing Law»**

. This Lease shall be governed by and construed in accordance with the Laws of the state in which the Premises are located (the "**State**").

(o) **Recording»**

. Tenant shall not record this Lease without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of Landlord, and any recordation by Tenant of this Lease shall be a material breach of this Lease. Landlord, within ten (10) Business Days after a written request from Tenant, shall execute and deliver to Tenant an amendment to the Memorandum of this Lease in recordable form and in form reasonably acceptable to Landlord, in connection with any changes to the size or location of the Premises or the Term of this Lease. Simultaneously with Landlord's execution and delivery of this Lease to Tenant, Landlord shall execute and deliver the Memorandum of Lease attached hereto as Exhibit L (the "**Memorandum of Lease**"), which Tenant, at Tenant's expense, may record in the applicable registry of deeds or file with the applicable registry district of the Land Court.

(p) **Joint and Several Liability»**

. If Tenant is comprised of more than one (1) party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease.

(q) **Financial Reports»**

. Within fifteen (15) days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, Tenant's internally prepared financial statements. If Tenant is a publicly traded corporation, Tenant may satisfy its obligations hereunder by providing to Landlord Tenant's most recent annual and quarterly reports. If Tenant is not a publicly traded corporation, Landlord will not disclose any aspect of Tenant's financial statements that Tenant designates to Landlord as confidential except: (1) to Landlord's Mortgagee or prospective mortgagees or purchasers of the Building provided that they agree to be bound by the terms and provisions of this Section 26(q); (2) to Landlord's advisors and consultants that have a need to know provided that they agree to be bound by the terms and provisions of this Section 26(q); (3) in litigation between Landlord and Tenant; and (4) if required by court order. Tenant shall not be required to deliver the financial statements required under this Section 26(q) more than once in any twelve (12) month period unless requested by Landlord's Mortgagee or a prospective buyer or lender of the Building or an Event of Default occurs.

(r) **Landlord's Fees»**

. Whenever Tenant requests Landlord to take any action not required of it hereunder or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for Landlord's reasonable, out-of-pocket costs payable to third parties and incurred by Landlord in reviewing the proposed action or consent, including reasonable attorneys', engineers' or architects' fees, within thirty (30) days after Landlord's delivery to Tenant of a statement of such costs, but subject to any caps on such costs as may be set forth in this Lease. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

(s) **Telecommunications»**

. Tenant and its telecommunications companies, including local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to and within the Building, for the installation and operation of telecommunications systems, including voice, video, data, Internet, and any other services provided over wire, fiber optic, microwave, wireless, and any other transmission systems ("**Telecommunications Services**"), for part or all of Tenant's telecommunications within the Building and from the Building to any other location without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. The Building is currently served by Verizon, Light Tower, Net Blazer and Comcast. All providers of Telecommunications Services shall be required to comply with the rules and regulations of the Building, applicable Laws and Landlord's policies and practices for the Building. Tenant acknowledges that Landlord shall not be required to provide or arrange for any Telecommunications Services and that Landlord shall have no liability to any Tenant Party in connection with the installation, operation or maintenance of

Telecommunications Services or any equipment or facilities relating thereto. Tenant, at its cost and for its own account, shall be solely responsible for obtaining all Telecommunications Services.

(t) **Representations and Warranties.**

(i) Tenant represents and warrants to, and covenants with, Landlord that Tenant is not, nor shall be at any time during the Term hereof, in violation of any Laws relating to terrorism or money laundering (collectively, the "**Anti-Terrorism Laws**"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "**Executive Order**") and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "**USA Patriot Act**"). Landlord represents and warrants to, and covenants with, Tenant that neither Landlord nor any of its respective constituent owners or affiliates currently are, or shall be at any time during the Term hereof, in violation of any Anti-Terrorism Laws, including without limitation the Executive Order and/or the USA Patriot Act.

(ii) Each of Landlord and Tenant covenants to the other that such party nor, with respect to Landlord, any of its respective constituent owners or affiliates is or shall be during the Term hereof a "Prohibited Person," which is defined as follows: (A) a person or entity that is listed in the Annex to, or is otherwise subject to, the provisions of the Executive Order; (B) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (C) a person or entity with whom Landlord is prohibited from dealing with or otherwise engaging in any transaction by any Anti-Terrorism Law, including without limitation the Executive Order and the USA Patriot Act; (D) a person or entity who commits, threatens or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (E) a person or entity that is named as a "specially designated national and blocked person" on the then-most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, **http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf**, or at any replacement website or other replacement official publication of such list; and (F) a person or entity who is affiliated with a person or entity listed in items (A) through (E), above.

(iii) Not more than twice per Lease Year, each party shall deliver to the other, within ten (10) Business Days after receipt of a written request therefor, a written certification or such other evidence reasonably acceptable to the receiving party evidencing and confirming compliance with this Section 26(t).

(u) **Confidentiality»**

. Tenant acknowledges that the terms and conditions of this Lease are to remain confidential for Landlord's benefit, and may not be disclosed by Tenant to anyone, by any manner or means, directly or indirectly, without Landlord's prior written consent, except that Tenant may disclose the terms and conditions of this Lease to its attorneys, auditors, investors, lenders or any counterparty that is a prospective purchaser of Tenant or its assets. The consent by Landlord to any disclosures shall not be deemed to be a waiver on the part of Landlord of any prohibition

against any future disclosure. Notwithstanding the foregoing, to the extent required by applicable Law, Tenant may file this Lease with governmental authorities having jurisdiction over Tenant.

(v) **Authority»**

. Each party represents and warrants to the other that it is a duly formed and existing entity qualified to do business in the state in which the Premises are located, that such party has full right and authority to execute and deliver this Lease, and that each person signing on behalf of such party is authorized to do so.

(w) **[Intentionally omitted.]**

(x) **No Reliance»**

. Each of the parties to this Lease has executed this Lease relying solely on its own judgment with the benefit of the advice of its own attorneys and/or brokers (or having decided to proceed without benefit of its own attorneys and/or brokers), and each party hereby disclaims reliance upon any statement or representation of the other party or any agent of such other party unless such statement or representation is expressly set forth in this Lease.

(y) **List of Exhibits»**

. All exhibits and attachments attached hereto are incorporated herein by this reference.

Exhibit A - Outline of Premises
Exhibit B - Description of the Land
Exhibit C - Operating Cost Excess, Tax Excess and Insurance Excess
Exhibit C-1- Operating Cost Exclusions
Exhibit D - Work Letter
Exhibit D-1 - Contractor Rules and Regulations
Exhibit D-2 - Energy & Sustainability Construction Guidelines & Requirements
Exhibit E - Building Rules and Regulations
Exhibit E-1 - Parking Rules and Regulations
Exhibit F - Form of Confirmation of Commencement Date Letter
Exhibit G - Form of Tenant Estoppel Certificate
Exhibit H - Landlord’s Services
Exhibit I-1 - List of Approved Issuing Banks
Exhibit I-2 - Form of Letter of Credit
Exhibit J - Moisture and Mold Control Instructions
Exhibit K - Expansion Option and Right of First Offer
Exhibit L - Memorandum of Lease
Exhibit M - Form of Bill of Sale for Accepted Furniture

LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT’S INTENDED COMMERCIAL PURPOSE, AND. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS LEASE, TENANT’S

OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL CONTINUE TO PAY THE RENT, WITHOUT ABATEMENT, DEMAND, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED

[Signature pages follow]

This Lease is executed on the respective dates set forth below, but for reference purposes, this Lease shall be dated as of the date first above written. If the execution date is left blank, this Lease shall be deemed executed as of the date first written above.

LANDLORD: **55 CAMBRIDGE PARKWAY, LLC**,

a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, its sole member

By: /s/ Perry Chudnoff
Name: Perry Chudnoff
Title: Vice President and Assistant Secretary
Execution Date: January 22, 2024

TENANT: **SAGE THERAPEUTICS, INC.**,

a Delaware corporation

By: /s/ Barry Greene
Name: Barry Greene
Title: CEO
Execution Date: 1/4/2024

EXHIBIT A

OUTLINE OF PREMISES

Exhibit A is intended only to show the general outline of the Premises as of the beginning of the Term of this Lease. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways, shafts, electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the Premises.

[See Attached Floor Plans]

EXHIBIT B

DESCRIPTION OF THE LAND

A certain parcel of land situated on the northwesterly side of Cambridge Parkway in Cambridge, Middlesex County, Massachusetts shown as Lot A on a plan of land entitled "Plan of Land of Trustees of Real Estate Investment Trust of America, Cambridge, Ma.," dated October 13, 1982, prepared by Raymond C. Pressey, Inc. and recorded in Middlesex South District Registry of Deeds as Plan No. 1202 of 1982, and bounded and described according to said plan as follows:

SOUTHEASTERLY	by Cambridge Parkway three hundred eighty-four and fifty hundredths (384.50) feet;
SOUTHWESTERLY	by the other land of Real Estate Investment Trust of America, one hundred seventy-five (175.00) feet;
NORTHWESTERLY	by Commercial Avenue, three hundred eighty-four and fifty hundredths (384.50) feet; and
NORTHEASTERLY	by land now or formerly of the City of Cambridge, as more particularly described in an order of taking recorded in Middlesex South District Registry of Deeds in Book 14159, Page 51, one hundred seventy-five (175.00) feet.

EXHIBIT C

OPERATING COST EXCESS, TAX EXCESS, AND INSURANCE EXCESS

1. **Operating Cost Excess**. Tenant shall pay to Landlord, as Additional Rent, the amount (per each rentable square foot in the Premises) ("**Operating Cost Excess**") by which the annual Operating Costs (defined below) per rentable square foot in the Building for each year of the Term exceed the annual Operating Costs per rentable square foot in the Building for calendar year 2025 (the "**Base Year**"). Landlord may make a good faith estimate of the Operating Cost Excess to be due by Tenant for any calendar year or part thereof during the Term. During each calendar year or partial calendar year of the Term after the Base Year, Tenant shall pay to Landlord, in advance concurrently with each monthly installment of Base Rent, an amount equal to the estimated Operating Cost Excess for such calendar year or part thereof divided by the number of months therein. From time to time, Landlord may estimate and re-estimate, but not more than once per calendar year, the Operating Cost Excess to be due by Tenant and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Operating Cost Excess payable by Tenant shall be appropriately adjusted in accordance with the estimations so that, by the end of the calendar year in question, Tenant shall have paid all of the Operating Cost Excess as estimated by Landlord. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Operating Costs are available for each calendar year. Operating Costs for the Base Year, for the purpose of comparisons of the Base Year with subsequent years only, shall be calculated so as to not include market-wide labor-rate increases due to extraordinary circumstances, including boycotts and strikes; and utility rate increases due to extraordinary circumstances, including conservation surcharges, boycotts, embargos or other shortages. The parties hereby agree that rising costs and wages due in whole or in part to the rate of inflation in the United States is not an "extraordinary circumstance", as aforesaid.

2. **Operating Costs**. The term "**Operating Costs**" shall mean all expenses and disbursements (subject to the limitations set forth below) that Landlord incurs in connection with the operation and maintenance of the Project or Complex, as applicable, determined in accordance with generally accepted accounting principles consistently applied, including the following costs: (a) wages and salaries of all on-site employees (other than a person generally considered to be higher in rank than the position of a person, regardless of title, who supervises property managers that manage the Project) engaged in the management, operation, maintenance, repair or security of the Project or Complex, as applicable (together with Landlord's reasonable allocation of expenses of off-site employees who perform a portion of their services in connection with the operation, maintenance or security of the Project or Complex, as applicable), including taxes, insurance and benefits relating thereto; (b) all supplies and materials used in the operation, maintenance, repair, and security of the Project or Complex, as applicable; (c) costs for improvements made to the Project or Complex, as applicable which, although capital in nature, are (i) specifically intended to reduce the normal operating costs (including all utility costs) of the Project or Complex, as applicable, as amortized using a commercially reasonable interest rate over the useful life of such improvement in accordance with generally accepted accounting principles, as well as (ii) capital improvements made in order to comply with any applicable Law promulgated after the Commencement Date by any governmental authority or any interpretation hereafter

rendered with respect to any existing Law, as amortized using at a commercially reasonable interest rate paid to institutional lenders by landlords of Class A office buildings in Cambridge, Massachusetts, but not at a rate higher than the actual rate paid by Landlord on funds borrowed for the purpose of such expenditure over the useful economic life of such improvements in accordance with generally accepted accounting principles (collectively, "**Permitted Capital Expenditures**"); (d) cost of all utilities; (e) repairs and general maintenance of the Project or Complex, as applicable; (f) fair market rental with respect to the management office for the Building or Complex; (g) service, maintenance and management contracts with independent contractors for the operation, maintenance, management, repair, replacement, or security of the Project or Complex, as applicable; (h) all costs of, energy and water audits and commissioning, of the Building for the purpose of improving energy and water efficiency and/or complying with legislation; (i) all costs associated with property improvements for the purpose of improving efficiency and/or complying with environmental legislation; (j) all costs of maintaining, managing, and reporting and applying for energy efficiency and green building certifications; (k) all costs associated with energy and water submetering; (l) all costs associated with environmental assessments, levies, taxes, and fees. Operating Costs may be prorated among the Project and the other buildings of the Complex, as reasonably determined by Landlord; and (j) management fees not to exceed three percent (3%) of the gross revenues of the Building, excluding the management fee itself and any utility costs that are paid separately by tenants, and excluding any revenues generated from any retail component of the Building.

Operating Costs shall not include the costs listed on Exhibit C-1, attached hereto.

3. **Tax Excess**. Tenant shall also pay, as Additional Rent, Tenant's Proportionate Share of any increase in Taxes for each year and partial year falling within the Term over the Taxes for the Base Year ("**Tax Excess**"). For purposes of this Section 3 only, Base Year shall mean the period of July 1, 2024 through June 30, 2025. Tenant shall pay Tenant's Proportionate Share of the Tax Excess in the same manner as provided above for Tenant's Proportionate Share of Operating Cost Excess. "**Taxes**" shall mean taxes, assessments (which shall be paid over the maximum period permitted by applicable Laws), and governmental charges or fees whether federal, state, county or municipal, and whether they be by taxing districts or authorities presently taxing or by others, subsequently created or otherwise, and any other taxes and assessments (including non-governmental assessments for common charges under a restrictive covenant or other private agreement that are not treated as part of Operating Costs) now or hereafter attributable to the Project or the Complex, as applicable (or its operation), excluding, however, late fees due to Landlord's untimely payment, taxes directly attributable to another tenant's tenant improvements, transfer taxes, franchise taxes, penalties and interest thereon and federal and state taxes on income (if the present method of taxation changes so that in lieu of or in addition to the whole or any part of any Taxes, there is levied on Landlord a capital tax directly on the rents received therefrom or a franchise tax, assessment, or charge based, in whole or in part, upon such rents for the Project or Complex, as applicable, then all such taxes, assessments, or charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof). Taxes shall include the reasonable and customary costs of consultants retained in an effort to lower taxes and all costs incurred in disputing any taxes or in seeking to lower the tax valuation of the Project. Taxes shall be reduced by the amount of any abatement received by Landlord after expenditures for reasonable legal fees and for other reasonable expenses incurred in obtaining an

abatement or refund. For property tax purposes, to the extent allowed by Law, Tenant waives all rights to protest or appeal the appraised value of the Premises, as well as the Project and Complex, and all rights to receive notices of reappraisement.

4. **Insurance Excess**. Tenant shall also pay, as Additional Rent, Tenant's Proportionate Share of any increases in Insurance for each year and partial year falling within the Term over the Insurance for the Base Year described in Section 1 ("**Insurance Excess**"). Insurance Excess for the Base Year shall not include any costs (including higher premiums) related to any casualties or other events for which Landlord makes an insurance claim during the Base Year. Tenant shall pay Tenant's Proportionate Share of Insurance Excess in the same manner as provided above for Tenant's Proportionate Share of Operating Cost Excess. "**Insurance**" shall mean property, liability and other insurance coverages carried by Landlord, including without limitation deductibles and risk retention programs and an equitable allocation of a portion of the cost of blanket insurance policies maintained by Landlord and/or its affiliates.

5. **Operating Costs and Tax and Insurance Statement**. By May 1 of each calendar year, or as soon thereafter as reasonably practicable, Landlord shall furnish to Tenant a statement of Operating Costs for the previous year, adjusted as provided in Section 6 of this Exhibit, and of the Taxes and Insurance for the previous year (the "**Operating Costs, Tax and Insurance Statement**"). If Tenant's estimated Operating Cost Excess or Tax Excess or Insurance Excess under this Exhibit C for the year covered by the Operating Costs, Tax and Insurance Statement exceed Tenant's share of such items as indicated in the Operating Costs, Tax and Insurance Statement, then Landlord shall promptly credit or reimburse Tenant for such excess, even if the Term of this Lease has since expired; likewise, if Tenant's estimated Operating Cost Excess, Tax Excess or Insurance Excess under this Exhibit C for such year are less than Tenant's share of such items as indicated in the Operating Costs, Tax and Insurance Statement, then Tenant shall pay Landlord such deficiency within thirty (30) days after a receipt of a written invoice for the same, notwithstanding that the Term has expired and Tenant has vacated the Premises. Landlord and Tenant are knowledgeable and experienced in commercial transactions and agree that the provisions of this Lease for determining charges, amounts and additional rent payable by Tenant are commercially reasonable and valid even though such methods may not state a precise mathematical formula for determining such charges. Landlord may not seek to recover any Operating Cost Excess or Tax Excess if not billed within two (2) years after such amounts were incurred.

6. **Gross-Up**. With respect to any calendar year or partial calendar year (including the Base Year) in which the Building or Complex, as applicable, is not occupied to the extent of 100% of the rentable area thereof, or Landlord is not supplying services to 100% of the rentable area thereof, the Operating Costs for such period shall, for the purposes hereof, be increased to the amount which would have been incurred had the Building or Complex, as applicable, been occupied to the extent of 95% of the rentable area thereof and Landlord had been supplying services to 95% of the rentable area thereof.

7. **Electricity.** Tenant shall also make the electricity payments to Landlord in the manner described in Exhibit H of this Lease.

8. **Inspection of Records**. Tenant shall have the right, on reasonable notice to Landlord, at reasonable times and at such location in the greater Boston area as shall be designated by Landlord, to inspect and review Landlord's books and records with respect to Operating Costs, Taxes, and Insurance provided that Tenant shall conduct such inspection and review for the previous year only and no later than one hundred twenty (120) days after delivery of the Operating Costs, Tax and Insurance Statement for such year and provided that no Event of Default then exists and Tenant shall have timely paid all sums due with respect to Operating Costs Excess, Tax Excess and Insurance Excess notwithstanding that it shall elect to perform such an inspection and review. No such inspection shall be conducted by any party who is compensated in whole or in part on a contingency basis. If it shall be determined that Tenant shall have overpaid any sums on account of Operating Costs Excess, Tax Excess or Insurance Excess, Landlord shall promptly refund the same, and if any overpayment is greater than five percent (5%) of the amounts that Tenant should have paid (without any overpayment) then Landlord shall also pay for the reasonable cost of any such audit, not to exceed $5,000.00. Tenant shall pay Landlord any underpayment disclosed by any such audit or inspection within thirty (30) days of determination. Tenant and its agent shall treat any audit or inspection in a confidential manner and shall execute a commercially reasonable confidentiality agreement for Landlord's benefit prior to commencing such audit or inspection.

EXHIBIT C-1

OPERATING COST EXCLUSIONS

Operating Costs shall not include the costs for:

(1) repair, replacements and general maintenance paid by proceeds of insurance or by Tenant or other third parties;

(2) any items for which Landlord is or is entitled to be paid or reimbursed by insurance (except for Landlord's insurance deductibles);

(3) financial costs including interest, amortization of debts, and the costs of providing the same, or other payments on loans to Landlord;

(4) depreciation and amortization of the Building or any equipment used or located therein (except for Permitted Capital Expenditures);

(5) leasing or brokerage commissions, fees and costs, advertising and promotional expenses and other costs incurred in procuring tenants or in selling the Building, the Project or the Complex;

(6) legal expenses for services, other than those that benefit the Project or Complex tenants, as applicable (e.g., tax disputes);

(7) legal fees or other expenses incurred in connection with enforcing leases with tenants in the Building;

(8) renovating or otherwise improving or decorating leased premises of the Project or Complex, as applicable, for any tenant or vacant space in the Project or Complex, as applicable, or relocating any tenant;

(9) Taxes and Insurance which are paid separately pursuant to Sections 3 and 4 of Exhibit C;

(10) federal income taxes imposed on or measured by the income of Landlord from the operation of the Project or Complex, as applicable;

(11) except as otherwise expressly provided above, depreciation;

(12) rental on ground leases or other underlying leases and the costs of providing the same;

(13) wages, bonuses, other compensation, and fringe benefits including, but not limited to insurance plans and tax qualified benefit plans of employees generally considered to be higher in rank than the position of a person, regardless of title, who supervises property managers that manage the Project;

(14) any liabilities, costs or expenses associated with or incurred in connection with the remediation, removal, enclosure, encapsulation or other handling of Hazardous Materials (as defined in Section 25 of this Lease) and the cost of defending against claims in regard to the existence or release of Hazardous Materials at the Building, the Project or the Complex (except with respect to those costs for which Tenant is otherwise responsible pursuant to the express terms of this Lease);

(15) increased Insurance or Taxes assessed specifically to any tenant of the Building, the Project or the Complex for which Landlord is entitled to reimbursement from any other tenant;

(16) charges for electricity, water, or other utilities, services or goods and applicable taxes therefor for which Tenant or any other tenant, occupant, person or other party is obligated to reimburse Landlord (other than through Operating Cost payments) or to pay to third parties;

(17) cost of any HVAC, janitorial or other services provided to tenants on an extra cost basis after Normal Business Hours;

(18) the cost of installing, operating and maintaining any specialty service for the benefit of particular occupant(s) and not Tenant, such as a cafeteria, observatory, broadcasting facilities, child or daycare;

(19) cost of correcting defects in the original design, construction or equipment of, or latent defects in, the Building, the Project or the Complex;

(20) cost of any work or service performed on an extra cost basis for any tenant in the Building, the Project or the Complex to a materially greater extent or in a materially more favorable manner than furnished generally to the tenants and other occupants;

(21) cost of any work or services performed for any facility other than the Building, the Project or the Complex;

(22) any cost representing an amount paid to a person, firm, corporation or other entity related to Landlord that is materially in excess of the amount which would have been paid in the absence of such relationship;

(23) [intentionally deleted];

(24) [intentionally deleted];

(25) capital expenditures (which shall mean those expenditures which, in accordance with generally accepted accounting principles, are not fully chargeable to current expenses in the year the expenditure is incurred), except Permitted Capital Expenditures;

(26) lease payments for rental equipment (other than equipment for which depreciation is properly charged as an expense) that would constitute a capital expenditure if the equipment were purchased;

(27) [intentionally deleted];

(28) late fees or charges incurred by Landlord due to late payment of expenses, except to the extent attributable to Tenant's actions or inactions;

(29) cost of acquiring, securing or maintaining sculptures, paintings and other works of art;

(30) taxes on Landlord's business (such as income, excess profits, franchise, capital stock, estate, inheritance, etc.);

(31) [intentionally deleted];

(32) charitable or political contributions;

(33) reserve funds;

(34) any item that, if included in Operating Costs, would involve a double collection for such item by Landlord;

(35) [intentionally deleted];

(36) Landlord's general overhead and any other expenses not directly attributable to the operation and management of the Building, the Project and the Complex (e.g. the activities of Landlord's officers and executives or professional development expenditures), except to the extent included in the management fee permitted by Section 2 of Exhibit C;

(37) [intentionally deleted];

(38) costs of mitigation or impact fees or subsidies (however characterized), imposed or incurred prior to the date of the Lease or imposed or incurred solely as a result of another tenant's or tenants' use of the Premises, the Building, the Project or the Complex or their respective premises;

(39) [intentionally deleted];

(40) cost of construction allowances provided to other tenants in the Building;

(41) any cost or expenditure for which Landlord is reimbursed (other than tax contributions or Operating Costs) ;

(42) costs of any services furnished to other tenants but which Landlord does not make available to Tenant or is available to Tenant only for an additional direct charge;

(43) any expense resulting from the negligence of Landlord, its agents, contractors or employees;

(44) costs of any code compliance work related to work performed by or on behalf of other tenants;

(45) cost of construction of new tenant or new common area space in the Building;

(46) attorney's fees, costs and disbursements incurred in connection with matters relating to the formation of Landlord as an entity and maintaining its continued existence as an entity;

(47) costs resulting from Landlord's breach of this Lease, costs and expenses incurred in connection with settlement of any claimed violation of law or requirements of law, or imposed upon Landlord by any governmental authority as a result of the violation of any law, statute or ordinance by Landlord or its agents or employees;

(48) salaries and benefits and employment taxes of executives and principals of Landlord;

(49) capital expenditures for resurfacing any parking area or lot, except to the extent the same constitute Permitted Capital Expenditures ;

(50) any costs and expenses exclusively benefitting any retail portion of the Building or Project which now or may later exist; and

(51) management fees in excess of the amount provided in Section 2 of Exhibit C.

EXHIBIT D

WORK LETTER

1. **Acceptance of Premises**. Except as set forth in Section 3(a) of the Lease, Tenant accepts the Premises in their "AS-IS" condition on the date that this Lease is entered into.

2. **Space Plans; Tenant Specifications**. Landlord and Tenant have approved the space plan prepared by Tenant's architect (the "**Architect**") and the narrative description of the scope of work attached hereto as Schedule D-1 (such space plan and the narrative scope, collectively, the "**Space Plan**"), depicting the improvements proposed to be installed in the Premises. Notwithstanding that the Space Plan may also depict any furniture and/or any Tenant's AV and IT Work (as defined below), Tenant acknowledges and agrees that the Work to be performed by Landlord shall not include, and Landlord shall have no obligation for, the purchase, installation, moving or testing of any Tenant's AV and IT Work or any other personal property, furniture, or equipment (even if the same may be depicted for illustration or space planning purposes on the Space Plan or any Working Drawings), all of which shall be Tenant's sole responsibility, and none of which shall be a delivery condition requirement nor delay the Commencement Date or Rent Commencement Date of this Lease.

Notwithstanding the foregoing, Tenant shall retain its own contractor and vendors ("**Tenant's AV and IT Contractors**"), which shall be subject to Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed (provided that Landlord shall have the right to require that Tenant's AV and IT Contractors employ union labor), to perform Tenant's audio/visual (AV) and information technology (IT) upgrades, equipment, construction and assembly ("**Tenant's AV and IT Work**"), which Tenant's AV and IT Work shall not constitute a part of the Work to be performed by Landlord.

Notwithstanding anything to the contrary in this Lease, Landlord agrees to allow Tenant to have reasonable access to the Premises prior to the Commencement Date for the concurrent performance of the Tenant's AV and IT Work, all such work subject to obtaining Landlord's prior approval of any plans and specifications relating thereto, and provided such work shall not delay or interfere with the performance of the Work by Landlord. Provided that Tenant's AV and IT Work does not delay or interfere with the performance of Landlord's Work, as aforesaid, it is the parties' intention that Tenant's AV and IT Contractors shall have access to the Premises at all stages of the performance of the Work, and may perform Tenant's AV and IT Work, so that Tenant's AV and IT Work is installed in the most efficient and cost-effective manner as is reasonably practicable. Taking into account the immediately foregoing sentence, Tenant's performance of the Tenant's AV and IT Work shall be subject to a mutually agreed schedule prepared by Landlord's contractor to minimize any delay or interference with the performance of the Work. Prior to any such entry onto the Premises, Tenant shall deliver to Landlord certificates of insurance evidencing the coverages required under the Lease. Entry onto of the Premises by Tenant prior to the Commencement Date shall be subject to all of the provisions of this Lease excepting only those requiring the payment of Rent.

3. **Working Drawings**.

(a) **Preparation and Delivery**. On or before February 1, 2024 (the "**Working Drawings Delivery Deadline**"), Tenant shall provide to Landlord for its approval, not to be unreasonably withheld, conditioned or delayed as provided in Section 3(c) below, final working drawings, prepared by the Architect, of all improvements that Tenant proposes to install in the Premises, based on the approved Space Plan; such working drawings shall include the partition layout, ceiling plan, electrical outlets and switches, telephone outlets, drawings for any modifications to the mechanical and plumbing systems of the Building, and detailed plans and specifications for the construction of the improvements called for under this Exhibit in accordance with all applicable Laws. If Tenant fails to timely deliver such drawings, then each day after the Working Drawings Delivery Deadline that such drawings are not delivered to Landlord shall be a Tenant Delay Day (but only if the Work is not Substantially Completed by the Estimated Delivery Date due to a Tenant Delay, including any such Tenant Delay Day as a result of the timely delivery of such drawings).

(b) **Approval Process**. Landlord shall notify Tenant whether it approves of the submitted working drawings within ten (10) Business Days after Tenant's submission thereof. If Landlord disapproves of such working drawings, then Landlord shall notify Tenant thereof specifying in reasonable detail the reasons for such disapproval, in which case Tenant shall, within five (5) Business Days after such notice (and within three (3) Business Days following Tenant's receipt of Landlord's disapproval of any working drawings resubmitted to Landlord by Tenant), revise such working drawings in accordance with Landlord's objections and submit the revised working drawings to Landlord for its review and approval. Landlord shall notify Tenant in writing whether it approves of the resubmitted working drawings within five (5) Business Days after its receipt of Tenant's initial resubmitted working drawings and within three (3) Business Days after its receipt of any subsequent resubmitted working drawings. This process shall be repeated until the working drawings have been finally approved by Tenant and Landlord. If the working drawings are not fully approved by both Landlord and Tenant by March 1, 2024, and provided Landlord complied with its obligations under this Section 3(b), including timely approvals (or disapprovals), then each day after such time period that such working drawings are not fully approved by both Landlord and Tenant shall constitute a Tenant Delay Day.

(c) **Landlord's Approval; Performance of Work**. If any of Tenant's proposed construction work will affect the Building's Structure or any of the Building's Systems, then the working drawings pertaining thereto must be approved by Landlord's engineer, such approval not to be unreasonably withheld, conditioned or delayed, and shall follow the same timelines set forth in Section 3(b) above. Landlord's approval of such working drawings shall not be unreasonably withheld, conditioned, or delayed, provided that (1) they comply with all Laws, (2) the improvements depicted thereon do not adversely affect (in the reasonable discretion of Landlord) the Building's Structure or the Building's Systems (including the Building's restrooms or mechanical rooms), the exterior appearance of the Building, or the appearance of the Building's Common Areas or elevator lobby areas (if any), (3) such working drawings are sufficiently detailed to allow construction of the improvements in a good and workmanlike manner, and (4) the improvements depicted thereon conform to the rules and regulations for the construction of tenant improvements attached as Exhibit D-1. As used herein, "**Working Drawings**" shall mean the final stamped working drawings approved by Landlord and suitable for submission to the City of Cambridge Inspection Services Department to obtain permits, as amended from time to time by

any approved Change Orders thereto, and "**Work**" shall mean all improvements to be constructed in accordance with and as indicated on the Working Drawings, together with any work required by governmental authorities to be made to other areas of the Building as a direct result of the improvements indicated by the Working Drawings. Landlord's approval of the Working Drawings shall not be a representation or warranty of Landlord that such drawings are adequate for any use or comply with any Law but shall merely be the consent of Landlord thereto. Tenant shall, at Landlord's request, sign the Working Drawings to evidence its review and approval thereof. After the Working Drawings have been approved, Landlord shall cause the Work to be performed in accordance with the Working Drawings and in compliance with all applicable Laws and using new or like-new materials and finishes, selected by Tenant. Tenant shall attend Landlord's weekly construction meetings for the Work or participate in such construction meetings by phone or video conferencing.

4. **Bidding of Work**. Prior to commencing the Work, Landlord shall competitively bid the Work to three (3) contractors reasonably approved by Landlord, one of which shall be Timberline Construction. Landlord and Tenant shall mutually select the contractor to perform the Work following the submission of bids. Landlord shall have the right to require any contractor or subcontractor performing work on or about the Premises to employ union labor and any construction manager utilized by Tenant to be a union-associated construction manager. If the estimated Total Construction Costs (defined in Section 8 below) are expected to exceed the Construction Allowance (defined in Section 9 below), Tenant shall be allowed to review the submitted bids from such contractors to value engineer any of Tenant's requested alterations. In such case, Tenant shall notify Landlord of any items in the Working Drawings that Tenant desires to change within three (3) Business Days after Landlord's submission of such bids to Tenant. If Tenant fails to notify Landlord of its election within such three (3) Business Day period, Tenant shall be deemed to have approved the bids. Within seven (7) days following Landlord's submission to Tenant of the initial construction bids under the foregoing provisions (if applicable), Tenant shall have completed all of the following items: (a) finalized with Landlord's representative and the proposed contractor, the pricing of any requested revisions to the bids for the Work, and (b) approved in writing any overage in the Total Construction Costs in excess of the Construction Allowance, failing which each day after such seven (7) day period shall constitute a Tenant Delay Day.

5. **Change Orders**. Tenant may initiate changes in the Work described in the Space Plan or the Working Drawings ("**Change Order**"). Each such Change Order must receive the prior written approval of Landlord, such approval not to be unreasonably withheld or delayed; however, (1) if such requested change would adversely affect (in the reasonable discretion of Landlord) (a) the Building's Structure or the Building's Systems (including the Building's restrooms or mechanical rooms), (b) the exterior appearance of the Building, or (c) the appearance of the Building's Common Areas or elevator lobby areas (if any), or (2) if any such requested change might delay the Substantial Completion of the Work beyond the Estimated Delivery Date or, if later than the Estimated Delivery Date, the then-anticipated date for Substantial Completion of the Work based on the most recent construction schedule, Landlord may withhold its consent in its sole and absolute discretion, or, at Tenant's election, Tenant may agree that the period of such delay are Tenant Delay Days, in which case Landlord may not disapprove the Change Order on the basis of any anticipated delay. If Tenant requests any Change Orders, then such increased

costs and any additional design costs incurred in connection therewith as the result of any such Change Order shall be added to the Total Construction Costs, and any actual delay in the Substantial Completion of the Work due to such Change Order shall constitute a Tenant Delay.

6. **Definitions**. As used herein, "**Tenant Delay**" shall mean any actual delay in the performance of the Work that causes the Substantial Completion of the Work to occur after the Estimated Delivery Date (a) because of Tenant's failure to timely deliver or approve any required documentation such as the Space Plan or Working Drawings, (b) because Tenant fails to timely furnish any information or deliver or approve any required documents such as the Space Plan, Working Drawings (whether preliminary, interim revisions or final), pricing estimates, construction bids, and the like, (c) because of any Change Order, (d) because Tenant fails to attend any meeting with Landlord, the Architect, any design professional, or any contractor, or their respective employees or representatives, as may be required or scheduled hereunder or otherwise necessary in connection with the preparation or completion of any construction documents, such as the Space Plans Working Drawings, or in connection with the performance of the Work, (e) any failure by Tenant timely to approve (in any event within two (2) Business Days) a substitute for any materials, equipment, designs, processes, or products shown on the Space Plan or Working Drawings that are not readily available to Landlord's contractor to acquire in a timely manner and incorporate into the Work in the ordinary course without delay, or because of any specialty contractor or specialty equipment required for the Work, (f) because of the concurrent performance of the Tenant's AV and IT Work by Tenant's AV and IT Contractors or any other entry by any Tenant Party onto the Premises prior to the Commencement Date if not performed in accordance with the schedule of Landlord's general contractor, or (g) because a Tenant Party otherwise causes a delay in the completion of the Work. As used herein, a "**Tenant Delay Day**" shall mean each day of delay in the performance of the Work due to a Tenant Delay. As used herein "**Substantial Completion**," "**Substantially Completed**," and any derivations thereof mean (i) the Work in the Premises has been completed in substantial accordance with the Working Drawings, except for Punchlist Items (as hereinafter defined), as solely determined and certified by Landlord's contractor, but following the joint inspection with the Architect pursuant to Section 7 below, and (ii) Landlord has obtained all applicable sign-offs from the City of Cambridge for the Work (the "**Municipal Sign-Offs**"); provided, however, that if such Municipal Sign-Offs for the Work cannot be obtained due to any work (including, without limitation, Tenant's AV and IT Work and/or Tenant's moving of the Accepted Furniture out of the temporary storage space therefor and installation of the Accepted Furniture in the Premises) to be performed by Tenant or any action required of Tenant (it being acknowledged that the City of Cambridge may not schedule inspections for such Municipal Sign-Offs for the Work unless and until all work, including Tenant's AV and IT Work and installation of the Accepted Furniture are complete), then obtaining such Municipal Sign-Offs for the Work shall not be a condition to the occurrence of the Substantial Completion. Notwithstanding the foregoing, in the event of any Tenant Delay Days, the "Substantial Completion" date shall be deemed to be one day earlier than the actual day thereof for each Tenant Delay Day, and the Rent Commencement Date shall be accelerated accordingly.

7. **Walk-Through; Punchlist**. When Landlord, the Architect, and Landlord's contractor consider the Work in the Premises to be Substantially Completed, Landlord will notify Tenant and within three (3) Business Days thereafter, Landlord's representative and Tenant's representative shall conduct a walk-through of the Premises and identify any necessary touch-up

work, repairs and minor completion items that are necessary for final completion of the Work, the incompleteness of which will not unreasonably interfere with Tenant's use and occupancy of the Premises for the Permitted Use and the work in completing said items will not unreasonably interfere with Tenant's use and occupancy of the Premises (the "**Punchlist Items**"). Neither Landlord's representative nor Tenant's representative shall unreasonably withhold his or her agreement on punchlist items. Landlord shall use commercially reasonable efforts to cause the contractor performing the Work to complete all punchlist items within thirty (30) days after agreement thereon; however, Landlord shall not be obligated to engage overtime labor in order to complete such items.

8. **Excess Costs**. Tenant shall pay for the entire cost of performing the Work (including design of the Work and preparation of the Working Drawings (collectively, the "**Tenant's Design Costs**")), costs of construction labor and materials, electrical usage during construction, additional janitorial services, costs of moving and storing the Accepted Furniture, general tenant signage, related taxes and insurance costs, the construction supervision fee referenced in Section 10 of this Exhibit and all costs associated with Tenant's AV and IT Work (the "**Tenant's AV and IT Costs**"), all of which costs are herein collectively called the "**Total Construction Costs**"), subject to the Construction Allowance (hereinafter defined). Upon approval of the Working Drawings and selection of a contractor, Tenant shall promptly execute a work order agreement prepared by Landlord and acceptable to Tenant which identifies such drawings and itemizes the estimated Total Construction Costs (the "**Estimated Total Construction Costs**") and sets forth the Construction Allowance. Landlord shall contract directly with the general contractor or construction manager performing the Work, and Tenant shall contract directly with Tenant's AV and IT Contractors.

9. **Construction Allowance**. Landlord shall provide to Tenant a construction allowance not to exceed $110.00 per rentable square foot in the Premises (*i.e.*, $3,362,370.00) (the "**Construction Allowance**") to be applied toward the Total Construction Costs, as adjusted for any changes to the Work. Except as set forth below, the Construction Allowance shall not be disbursed to Tenant in cash, but shall be applied by Landlord to the payment of the Total Construction Costs, if, as, and when the cost of the Work is actually incurred and paid by Landlord.

If and only if the Estimated Total Construction Costs exceed the amount of the Construction Allowance, then the provisions of this paragraph shall apply. If, as, and when the costs of the Work are actually incurred, Landlord shall pay Landlord's contractors from the Construction Allowance an amount equal to Landlord's Share (as hereinafter defined) of such incurred costs, and Landlord shall deliver to Tenant (but not more often than once per month) a statement of such incurred costs, together with the invoices therefor, and Tenant shall pay to Landlord (or if requested by Landlord, directly to Landlord's contractors), an amount equal to Tenant's Share (as hereinafter defined) of the total amount of such statement, within thirty (30) days after Tenant's receipt thereof. As used herein, (i) "**Landlord's Share**" shall mean the percentage that the amount of the Construction Allowance bears to the Estimated Total Construction Costs, less five percent (5%) of each statement to be retained by Landlord pending final completion of the Work pursuant to its construction contract with Landlord's general contractor, and (ii) "**Tenant's Share**" shall mean all costs of such statement in excess of Landlord's Share of such statement.

If there is any unapplied portion of the Construction Allowance remaining after completion of the Work (including any punchlist items), Tenant may apply such unused balance of the Construction Allowance toward (i) Tenant's Design Costs, (ii) Tenant's AV and IT Costs and (iii) any other costs incurred by Tenant for furniture, fixtures and equipment, and moving expenses (the costs in this clause (iii) are referred to collectively as the, "**Move-In Expenses**", and collectively with the Tenant's Design Costs and the Tenant's AV and IT Costs, the "**Tenant's Costs**"), provided that Tenant may not apply more than ten percent (10%) of the Construction Allowance (*i.e.*, $336,237.00) (the "**Cap**") toward the Move-In Expenses, in accordance with the following procedure: Tenant shall submit to Landlord a one-time requisition for reimbursement setting forth the actual Tenant's Costs for which reimbursement is sought (the "**Requisition**"). Such Requisition for payment shall contain such invoices or other evidence of the costs incurred by Tenant as Landlord may reasonably request, together with evidence satisfactory to Landlord that the same have been paid (including lien waivers, if applicable). Landlord shall reimburse Tenant from any remaining balance of the Construction Allowance an amount equal to Tenant's Costs (subject to the Cap with respect to the Move In Expenses) properly set forth in the Requisition. For clarity, the Cap shall apply only to the Move-In Expenses and shall not apply to Tenant's Design Costs or Tenant's AV and IT Costs.

The Construction Allowance must be used within twelve (12) months following the Commencement Date or shall be deemed forfeited with no further obligation by Landlord with respect thereto. In addition, notwithstanding anything to the contrary contained herein, Landlord shall not be obligated to disburse or apply any portion of the Construction Allowance during the continuance of an uncured default under the Lease, as amended hereby, and Landlord's obligation to disburse shall resume only when and if such default is cured.

10. **Construction Management**. Landlord or its Affiliate or agent shall supervise the Work, make disbursements required to be made to the contractor, and act as a liaison between the contractor and Tenant and coordinate the relationship between the Work, the Building and the Building's Systems. In consideration for Landlord's construction supervision services, Tenant shall pay to Landlord a construction supervision fee equal to one and one-half percent (1.5%) of the hard costs of the Work, which construction supervision fee shall be deducted from the Construction Allowance, or if the Construction Allowance has been exhausted, then Tenant shall pay such construction supervision fee within thirty (30) days after receipt of an invoice from time to time.

11. **Landlord's Warranty.** Landlord hereby warrants and agrees that the Work (and expressly excluding the Tenant's AV and IT Work, the "**Warranted Work**") will be free from defects in materials and workmanship, for the period of time ending on the date which is one (1) year after the Commencement Date (the "**Warranty Period**"). Landlord agrees to correct any and all material defects in materials and workmanship in the Warranted Work of which Tenant delivers written notice to Landlord prior to the expiration of the Warranty Period. Promptly following its discovery of any defective Warranted Work, Tenant shall provide Landlord with written notice thereof, and if such written notice is delivered within the Warranty Period, Landlord shall commence the correction required hereunder promptly after such written notice and thereafter shall promptly pursue such correction to completion.

SCHEDULE D-1

SPACE PLAN AND NARRATIVE DESCRIPTION OF SCOPE OF WORK

[See Attached]

EXHIBIT D-1

CONTRACTOR RULES AND REGULATIONS

Any and all improvements, alterations or additions performed by Tenant will be performed in accordance with this Exhibit D-1, and any modifications thereto by Landlord, notwithstanding any more permissive local building codes or ordinances.

1. WORK APPROVAL

The general contractor ("**Contractor**") and all subcontractors must be approved to conduct their trades in the jurisdiction in which the Building is located by any and all governmental entities with such authority. Landlord shall have the right to require any contractor or subcontractor performing work on or about the Premises to employ union labor and any construction manager utilized by Tenant to be a union-associated construction manager. Tenant or Contractor must provide Landlord with names, addresses and phone numbers for all subcontractors prior to commencement of work by the subcontractor. Construction drawings must be approved by Landlord prior to the start of construction. All projects shall be reviewed for potential impact to reduction targets and environmental programs. An agent or representative of Contractor must be present on the site at all times when work is in process.

2. INSURANCE

Prior to commencement of work, Contractor shall provide to Landlord a certificate of insurance in the form of an ACORD certificate with the approved limits of coverage and naming Landlord and the Building manager as additional insureds.

3. PERMITS

Permits and licenses necessary for the onset of all work shall be secured and paid for by Contractor and posted as required by applicable Law.

4. INSPECTIONS

All inspections which must be performed by testing any or all of the life safety system, e.g., alarms, annunciator, voice activated, strobe lights, etc., must be performed prior to 7:00 a.m. or after 6:00 p.m., and the on-site engineer must be present. At least 48 hours' notice must be provided to the Building manager and the on-site engineer advising that an inspection has been requested.

5. ELEVATORS

The use of the freight elevator for deliveries and removals shall be scheduled in advance by Contractor with the Building engineer's office for the transfer of all construction materials, tools, and trash to and from the construction floor. Passenger elevators shall not be used for these purposes. The elevator walls and floor shall be protected at all times during Contractor's use. From time to time, Contractor may be required to share the freight elevator with the cleaning crew, other tenants, etc. Large transfers of materials, whether for deliveries or removals, must be done

prior to 7:00 a.m. or after 6:00 p.m. No deliveries of any kind or nature shall be brought in through the front door of the Building at any time.

6. NON-CONSTRUCTION AREAS

Contractor shall take all necessary precautions to protect all walls, carpets, floors, furniture, fixtures and equipment outside of the work area and shall repair or replace damaged property without cost to Landlord. Masonite must be placed as a walkway on the public corridors from the freight elevator to the construction site to protect the carpet and/or flooring. Common area carpet and flooring protection is to be used and removed daily and the carpet and flooring vacuumed or dust mopped, whichever is appropriate, on a daily basis.

7. EROSION AND SEDIMENT CONTROL

Contractor agrees to provide a management plan prior to any exterior ground work being performed to prevent loss of soil during construction by stormwater runoff and/or wind erosion, including protecting topsoil by stockpiling for reuse, preventing sedimentation of storm sewer or receiving streams, and preventing polluting the air with dust and particulate matter. Contractor shall log building operations and maintenance activity to ensure that the plan has been followed.

8. GREEN BUILDINGS

Contractor agrees to incorporate Sustainability Standards into the preparation of the Plans and Specifications, including, without limitation, those "Green Construction Guidelines & Requirements," attached hereto as Exhibit D-2, when such compliance will not cause a material increase in Construction Costs.

9. WATER AND ELECTRICITY

Sources of water and electricity will be furnished to Contractor without cost, in reasonable quantities for use in lighting, power tools, drinking water, water for testing, etc. "Reasonable quantities" will be determined on a case-by-case basis but are generally intended to mean quantities comparable to the water and electrical demand Tenant would use upon taking occupancy. Contractor shall make all connections, furnish any necessary extensions, and remove same upon completion of work.

10. DEMOLITION AND DUSTY WORK

Demolition of an area in excess of 100 square feet must be performed before 7:00 a.m. or after 6:00 p.m. Contractor shall notify the Building engineer's office at least one full business day prior to commencement of extremely dusty work (sheet rock cutting, sanding, extensive sweeping, etc.) so arrangements can be made for additional filtering capacity on the affected HVAC equipment. Failure to make such notification will result in Contractor incurring the costs to return the equipment to its proper condition. All lights must be covered during high dust construction due to a plenum return air system.

11. CONSTRUCTION MANAGEMENT PLAN FOR INDOOR AIR QUALITY

Contractor agrees to develop and implement an Indoor Air Quality (IAQ) Management Plan for the construction and occupancy phases of the area being built out as follows:

During construction, meet or exceed the recommended Design Approaches of the Sheet Metal and Air Conditioning National Contractors Association (SMACNA) IAQ Guideline for Occupied Buildings Under Construction, 2008, Chapter 3.
Protect stored on-site or installed absorptive materials from moisture damage.
If air handlers must be used during construction, use filtration media with a Minimum Efficiency Reporting Value of 8 (MERV 8) at each return air grill, as determined by ASHRAE 52.2-2017.
Replace all filtration media immediately prior to occupancy.
- Make every reasonable effort to minimize the off-gassing of volatile organic compounds used in construction materials within the building. Efforts may include the use of no- and low-VOC products and materials, allowing products to off-gas before being brought into the building, and flushing out the space with outside air or air purifiers.

12. WATER USE EFFICIENCY

Contractor agrees to comply with the following:

Maintain maximum fixture water efficiency within the Building to reduce the burden on potable water supply and wastewater systems.
Keep fire systems, domestic water systems, landscape irrigation systems as separate systems to be maintained and metered separately. Modifications to the water systems must maintain the integrity of these three systems.
Submeter process water used directly by tenant and for the sole benefit of tenant.
Irrigation lines are not to be connected to domestic supply lines.

13. PURCHASING

If Landlord has a comprehensive sustainable purchasing policy as part of its Sustainability Practices, Contractor agrees to provide information about all material purchases for facility improvements, additions and alterations. Landlord will supply a standard format for reporting purposes that will include, but not be limited to, data on cost, quantity purchased and product sustainability features. Contractor shall timely and fully report to Landlord all such information including product specification sheets on all materials used in connection with the job, as Landlord may require from time to time.

14. REMOVAL OF WASTE MATERIALS

Any and all existing building materials removed and not reused in the construction shall be disposed of by Contractor as waste or unwanted materials, unless otherwise directed by the Building manager.

Contractor shall comply with all Laws and Landlord's waste and recycling practices. Contractor shall at all times keep areas outside the work area free from waste material, rubbish and debris and shall remove waste materials from the Building on a daily basis.

15. CLEANUP

Upon construction completion, Contractor shall remove all debris and surplus material and thoroughly clean the work area and any common areas impacted by the work.

16. HOUSEKEEPING PRACTICES

Contractor agrees to comply with Landlord's cleaning and maintenance practices.

17. MATERIAL SAFETY DATA SHEETS (MSDS)

Contractor agrees to provide the Building manager with at least 72 hours advance notice of all chemicals to be used on site through written notice and delivery of MSDS sheets.

18. WORKING HOURS

Standard construction hours are 6:30 a.m. - 5:00 p.m. The Building engineer must be notified at least two full business days in advance of any work that may disrupt normal business operations, e.g., drilling or cutting of the concrete floor slab. The Building manager reserves the right to determine what construction work is considered inappropriate for normal business hours. Work performed after standard construction hours requires an on-site engineer, who shall be billed at the then overtime rate, payable by Contractor.

19. WORKER CONDUCT

Contractor and subcontractors are to use care and consideration for others in the Building when using any public areas. No abusive language or actions on the part of the workers will be tolerated. It will be the responsibility of Contractor to enforce this regulation on a day-to-day basis. Contractor and subcontractors shall remain in the designated construction area so as not to unnecessarily interrupt other tenants. No sleeveless shirts are allowed. Long pants and proper work shoes are required. All workers must wear company identification.

20. CONSTRUCTION INSPECTIONS

Contractor is to perform a thorough inspection of all common areas to which it requires access prior to construction to document existing Building conditions. Upon completion of work, if necessary, Contractor shall return these areas to the same condition in which they were originally viewed. Any damage caused by Contractor shall be corrected at its sole cost.

21. SIGNAGE

Contractor or subcontractor signage may not be displayed in the Building common areas or on any of the window glass.

22. POSTING OF RULES AND REGULATIONS

A copy of these rules and regulations must be posted on the job site in a manner allowing easy access by all workers. It is Contractor's responsibility to instruct all workers, including subcontractors, to familiarize themselves with these rules and regulations.

23. INSURANCE REQUIREMENTS

Contractor will provide and maintain at its own expense the minimum insurance required of contractors and subcontractors per the Lease.

24. CERTIFICATE OF INSURANCE

NAMED INSUREDS:	OWNER, ANY BUILDING MANAGER FOR OWNER, AND ANY MORTGAGEE AND/OR GROUND LESSOR OF THE BUILDING AND/OR THE LAND

Certificates of Insurance in the form of an ACORD 25-S certificate evidencing the required coverages and naming the additional insureds as stated MUST be furnished thirty (30) days prior to starting the contract work. Each certificate will contain a provision that no cancellation or material change in the policies will be effective except upon thirty (30) days prior written notice.

25. EMERGENCY PROCEDURES

In case of emergency, Contractor shall call the police/fire department and/or medical services, followed immediately by a call to the Building manager.

26. DELIVERIES

At no time will the Building staff accept deliveries on behalf of Contractor or any subcontractor.

27. CHANGES

THESE CONTRACTOR RULES AND REGULATIONS ARE SUBJECT TO CHANGE AND ARE NOT LIMITED TO WHAT IS CONTAINED HEREIN. LANDLORD AND THE BUILDING MANAGER RESERVE THE RIGHT TO IMPLEMENT ADDITIONAL RULES AND REGULATIONS AS MAY BE PRUDENT BASED ON EACH INDIVIDUAL PROJECT.

ADDITIONAL TENANT CONSTRUCTION RULES AND REGULATIONS

A. General Requirements

1. Tenant must submit Construction Documents (plans and specifications) to the Lincoln Property Company Management Office for approval a minimum of two (2) weeks or the time period required under the lease document, whichever is longer, prior to commencement of the project.

2. Subject to the provisions of the Lease, Lincoln Property Company reserves the right to approve and restrict any sub-contractor, contractor or employee for any trade performing work in the building. Subject to the provisions of the Lease, a pre-qualification statement must be submitted to Lincoln Property for sub-contractors who have not performed work with Lincoln Property Company within the last two (2) years or on jobs of comparable size and dollar value.

3. The contractor shall complete work without disruption from labor disputes and in harmony with other trades and union affiliations. All work to be performed shall be by union trades in accordance with local union rules and regulations.

4. Record of As-built drawings must be submitted within 30 days of the completion of the project.

5. Tenant must submit to Lincoln Property Company the following items, two (2) weeks prior to the commencement of the project (provided that items D and E shall be submitted one business day prior to commencement of work authorized thereby):

    a. Name of General Contractor/Construction Management Firm
    b. Subcontractor List for approval
    c. Certificates of Insurance from general contractor and subcontractor in compliance with insurance guidelines. Tenant must be named additionally insured.
    d. Copy of Demolition Permit (if Applicable)
    e. Copy of Building Permit.
    f. Copy of Long-Form or Fast-Tract Application to Building Department.
    g. Construction Schedule.
    h. Project directory to include: name of Firm, address, contact and telephone number.

6. Tenant must submit Certificate of Occupancy at completion of project prior to occupancy.

7. Tenant must schedule a project meeting with the Lincoln Property Company construction coordinator two (2) weeks prior to commencement of project. Weekly or bi-weekly project meetings are required for major construction projects. The Lincoln Property Company construction coordinator may attend meetings as deemed necessary. The construction coordinator must receive a copy of the minutes on a weekly basis.

8. Air balancing by contractor is required two (2) weeks before project is completed.

9. Testing of sprinkler system and fire protection devices is required two (2) weeks prior to completion of major system upgrades and to obtain Certificate of Occupancy. For minor work, Tenant shall obtain approval for Building Inspector and deliver hydraulic calculations to Lincoln Property Company prior to occupancy.

10. The Lincoln Property Company design/engineering review team may inspect contractor work in progress for compliance with applicable code and building standards.

11. Lincoln Property Company reserves the right to restrict life safety design (sprinkler and fire protection) to its approved design engineers.

12. All contractor work shall be performed in accordance with all applicable laws and codes, Cambridge Fire Department and Lincoln Property Company Construction Guidelines.

13. Two hundred pound (200 lb) pressure test of sprinkler system is required two (2) weeks prior to completion of project. Sprinkler contractor test certificates are due to Lincoln Property Company at that time.

14. Sprinkler contractor must provide five (5) sets of sprinkler drawings for major system upgrades for approval by the insurance company.

15. All questions should be referred to Lincoln Property Company at 55 Cambridge Parkway, Cambridge, MA 02142.

B. Specific Requirements

Normal business hours are 8:00 am to 6:00 pm Monday-Friday; 8:00 am to 1:00 pm on Saturdays.

1. The following work must be done on overtime, not during normal business hours.
    a. Demolition above and below occupied space or which may cause disruption to other tenants in the building on other floors.
    b. Coring for electrical/telephone floor outlets above occupied space.
    c. Oil based or "Polymyx" painting on occupied multi-tenant floors (0 voc/odorless paint work allowed).
    d. Any Work performed outside of project site.
    e. Gluing of carpet on occupied multi-tenant floors
    f. Shooting of studs into deck for mechanical fastening devices (Allowed until 8:00 am.)
    g. Testing of life safety system and sprinkler tie-ins.
    h. Coordination of deliveries requiring use of loading dock and freight elevator exceeding ½ hour.
    i. Deliveries via tractor/trailer trucks.
    j. Sprinkler drain downs performed after hours.

2. Dollies and carts should be fitted with rubber wheels.

3. Dragging of ladders, dropping of material is to be avoided over occupied floors.

4. All work performed outside of project site must be coordinated with the property manager from the Lincoln Property Company Management Office.

5. The contractor must submit a "Building Service Request Form" to Lincoln Property Company to schedule the services listed below. Three days advance notice is required for approval. Emergency service may be provided with 24 hour's notice.

    a. Freight elevator usage after hours.
    b. Sprinkler/life safety shutdown.
    c. HVAC shutdown.
    d. Access to site after normal business hours.

e. Major deliveries and tenant relocations.
f. Coordination with Engineers or other building staff.
g. Trash removal operation.
h. Security Detail.
i. Any work/activity not noted above or performed during non-business hours.
j. All after hours work/activity will be escorted by building personnel at the cost to the tenant.

6. There is no contractor parking available at the loading dock. The loading dock is to be used for unloading equipment and materials only. Tenant shall have the use of one (1) unreserved parking space for a construction worker of the management or supervisory level to use during construction of Tenant's Initial Improvements prior to Term Commencement Date.

7. Tradespersons are not allowed on passenger elevators. The freight elevator must be used at all times to access or egress the work area. Construction workers should not use the emergency stairwells to access other floors unless an emergency situation arises or as approved by property management.

8. Demolition: Contractor must use hard plastic hampers to transport demolition debris from work floor to loading dock. Hampers cannot be left on the loading dock. Queue on the work floor while transforming debris.

9. Cleaning and Rubbish Removal: The contractor is responsible for leaving freight elevators and related work areas "broom clean". The contractor will incur costs for clean-up if areas are left dirty, including serving of freight elevator for demolition debris not transported properly. Rubbish cannot be stored in the work area and must be disposed of on a regular basis. **Absolutely no construction debris is to be left in the work premises at the end of each shift.**

10. Badges: Tradespersons must enter the building through the loading dock and obtain a contractor badge. The badge is to be worn daily, be visible at all times, and presented to security for access to project site.

11. Deliveries: Absolutely no deliveries will be allowed through the main lobby. Deliveries must be scheduled in advance with the Lincoln Property Company management office to coordinate the use of the loading dock and the freight elevators. The delivery of sheet rock, light fixtures and other like material must be scheduled during non-business hours.

12. Waiver of Mechanics Lien will be required prior to all payments.

13. Contractor will post the building permit on a wall of the construction site while work is being performed.

14. Prior to demolition, if carpet is to remain in the suite, it is to be protected by heavy plastic cover or removed, stored, and reinstalled upon completion of work.

15. Contractor shall provide heavy plastic screening for dust protection and/or temporary walls of suitable appearances as required by Property management to screen the construction site.

16. Walk-off mats are to be provided at entrance doors.

17. No utilities (electricity, water, gas, and plumbing) or services to the tenants are to be cut off or interrupted without first having requested, in writing, and secured, in writing, the permission of the Property Management.

18. No electrical services are to be put on the emergency circuit, without specific written approval from the Property Manager.

19. Any utility meters that are installed must meet the building standards.

20. **The property manager will be notified of all work schedules of all workmen on the job and will be notified, in writing, of names of those who may be working in the building.**

21. Contractors will be responsible for daily removal of waste foods, milk and soft drink containers, etc. to loading dock construction dumpster and will not use any building trash receptacles, but trash receptacles supplied to them.

22. Construction personnel are not to eat in or congregate in the lobby or in front of building.

23. There will be no radios on the job site.

24. All workers are required to wear a shirt, shoes and full-length trousers.

25. Protection of hallway carpets, wall coverings, granite and marble, and elevators from damage with masonite board, carpet, cardboard, or pads is required.

26. Public spaces, corridors, elevators, bathrooms, lobby, etc. must be cleaned immediately after use. Construction debris or materials found in public areas will be removed at the contractor's cost.

27. There will be no smoking, eating, or open food containers in the elevators, carpeted areas, or public lobbies.

28. There will be no yelling or boisterous activities.

29. All construction materials or debris must be stored within the project confines or in an approved lock-up.

30. There will be no alcohol or controlled substances allowed or tolerated on the property. Individuals under the influence or in possession of such will be prosecuted.

31. Contractor shall post no signs without the Property Manager's expressed approval which may be withheld for any reason.

32. Any work performed on base building systems (i.e., roofing, HVAC, glass curtain wall, etc.) that could impact existing warranties shall be coordinated with the Property Manager prior to performing said work. Property Manager stipulates that a certain company/subcontractor/vendor must be used in order to preserve a warranty, the Contractor shall comply. Property Manager is to attend final walk thru for certificate of occupancy and fire protection sign offs.

33. Contractor shall supply Property Manager with a copy of all permits prior to the start of any work.

34. Contractors shall be permitted to use the janitor's sink for water supply on the floor(s) on which the construction occurs, however, contractors shall ensure that no drywall, mud, flammables or any other substance that could stop up the sanitary sewer system or be potentially hazardous, are put therein.

35. Contractor shall ensure that all elevators, machine rooms, hoist ways, rails, car tops, sills and beams remain free of construction dust and debris. Elevator contractor shall perform pre-construction and post construction inspection at the expense of the project.

EXHIBIT D-2

ENERGY AND SUSTAINABILITY
CONSTRUCTION GUIDELINES AND REQUIREMENTS

Any and all improvements, alterations or additions performed by Tenant will be performed in accordance with this Exhibit D-2, and any modifications thereto by Landlord, notwithstanding any more permissive local building codes or ordinances.

HVAC Equipment

- Tenant-installed HVAC and refrigeration equipment and fire suppression systems ***shall not*** contain refrigerants that are currently banned or being phased out, including CFCs (most commonly R-11) and HCFCs (most commonly R-22).
- Ensure tenant-installed HVAC systems tie into the Building's Building Automation System.

Appliances & Equipment

Install only ENERGY STAR-certified appliances. ***Recommend*** the use of ENERGY STAR-certified office equipment, electronics and commercial food service equipment in all instances where such product is available.

Plumbing

Install only new plumbing fixtures that meet the following:

- Lavatory faucets: [0.5] gallons per minute (GPM) tamper-proof aerators
- Pantry/Kitchenette faucets: [1.5] GPM tamper-proof aerators
- Water closets: [1.28] gallons per flush (GPF)
- Urinals: [0.125] GPF
- Showerheads: Meet the requirements of EPA WaterSense-labeled products
- Commercial Pre-rinse Spray valves (for food service applications): [1.6] or less GPM

Lighting

- Lighting loads ***shall not*** exceed ASHRAE/IES Standard 90.1- 2016. For example, the Maximum Lighting Power Density for office use is 0.79 watts per square foot.
- ***At a minimum***, install occupancy/vacancy sensors with manual override capability in all regularly occupied office spaces. Lighting controls shall be tested prior to occupancy to ensure that control elements are calibrated, adjusted and in proper working condition to achieve optimal energy efficiency.

Data Center within the Premises

Tenant may not operate a Data Center within the Premises without the express written consent of Landlord. The term "**Data Center**" shall have the meaning set forth in the U.S. Environmental Protection Agency's ENERGY STAR® program and is a space specifically designed and equipped to meet the needs of high-density computing equipment, such as server racks, used for data storage and processing. The space will have dedicated, uninterruptible power supplies and cooling systems. Data Center functions may include traditional enterprise services, on-demand enterprise services, high-performance computing, internet facilities and/or hosting facilities. A Data Center does not include space within the Premises utilized as a "server closet" or for a computer training area. In conjunction with the completion and operation of the Data Center, Tenant shall furnish the following information to Landlord:

(1) Within ten (10) days of completion, Tenant shall report to Landlord the total gross floor area (in square feet) of the Data Center measured between the principal exterior surfaces of the enclosing fixed walls and including all supporting functions dedicated for use in the Data Center, such as any raised-floor computing space, server rack aisles, storage silos, control console areas, battery rooms, and mechanical rooms for cooling equipment. If Tenant alters or modifies the area of the Data Center, Tenant shall furnish an updated report to Landlord on the square footage within ten (10) days following completion of the alterations or modifications.

(2) For spaces that meet the U.S. EPA ENERGY STAR definition of a Data Center, tenants must have an electricity submeter or other device in place that measures the electricity consumption in kWh (as opposed to instantaneous power readings measured in kW) of the IT equipment within the space. The meter should only include IT energy consumption, not the total consumption of the data center, which may include lighting or cooling loads. If the Data Center has an Uninterruptible Power Supply (UPS) system, the meter must be placed at the output of the UPS.

(3) Within ten (10) days following the close of each month of operation of the Data Center, monthly IT energy readings, failing which Tenant shall be obligated to pay to Landlord the Late Reporting Fee.

Building Materials

- Architect and general contractor ***shall endeavor*** to specify low-VOC paints, coatings, primers, adhesives, sealants, sealant primers, coatings, stains, finishes and the like. Suggested VOC limits are at the end of this document.
- Architect and general contractor ***shall endeavor*** to specify materials that meet the following criteria:
  - Harvested and processed or extracted and processed within a 500-mile radius of the project site.
  - Contain at least 10% post-consumer or 20% pre-consumer materials.
  - Contain material salvaged from offsite or on-site.

- Contain rapidly renewable material.
- Made of wood-based materials, excluding movable furniture, certified as harvested from sustainable sources, specifically Forest Stewardship Council (FSC)-certified wood.
- Carpet meeting or exceeding the requirements of the CRI Green Label Plus Testing Program and recyclable where available.
- Carpet cushion meeting or exceeding the requirements of the CRI Green Label Testing Program.
- Preferably, at least 25% of the hard surface flooring (not carpet) will be FloorScore-certified.
- Composite wood or agrifiber products shall contain no added urea-formaldehyde resins.
- Work with architect and general contractor to ensure the following materials are not used: manufactured wood with urea-formaldehyde binders, fabrics and foams with halogenated flame retardants, drywall from China.

Contractor Practices

- General Contractor ***shall implement*** the Building's Waste Management Plan to reuse, recycle and salvage building materials and waste during both demolition and construction phases.
- General Contractor ***shall implement*** appropriate Indoor Air Quality Protocols for construction activity.

Resources

For actual regulations, rules and standards visit:
South Coast Air Quality Management District (SCAQMD) VOC Limits
Bay Area Air Quality Management District (BAAQMD) VOC Limits
Green Seal GS-11 VOC Limits

EXHIBIT E

BUILDING RULES AND REGULATIONS

The following rules and regulations shall apply to the Premises, the Building and the appurtenances thereto:

1. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be obstructed by tenants or used by any tenant for purposes other than ingress and egress to and from their respective leased premises and for going from one to another part of the Building.

2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by a tenant or its agents, employees or invitees, shall be paid by such tenant.

3. No signs, advertisements or notices (other than those that are not visible outside the Premises) shall be painted or affixed on or to any windows or doors or other part of the Building without the prior written consent of Landlord.

4. Landlord shall provide all door locks in each tenant's leased premises, at the cost of such tenant, and no tenant shall place any additional door locks in its leased premises without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall install (subject to Landlord's prior written approval as to the plans and specifications therefor and to the other terms and conditions of Article 8 of the Lease) its own access and security system, including card readers, to the Premises. Landlord shall furnish to each tenant a reasonable number of keys to such tenant's leased premises, at such tenant's cost, and no tenant shall make a duplicate thereof.

5. If the Building is multi-tenant, movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise or materials which require use of elevators or stairways, or movement through the Building entrances or lobby shall be conducted under Landlord's supervision at such times and in such a manner as Landlord may reasonably require. Each tenant assumes all risks of and shall be liable for all damage to articles moved and injury to persons or public engaged or not engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for such tenant.

6. Landlord may prescribe weight limitations and determine the locations for safes and other heavy equipment or items, which shall in all cases be placed in the Building so as to distribute weight in a manner acceptable to Landlord which may include the use of such supporting devices as Landlord may require. All damages to the Building caused by the installation or removal of any property of a tenant or done by a tenant's property while in the Building, shall be repaired at the expense of such tenant.

7. Corridor doors, when not in use, shall be kept closed. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals (other than

seeing-eye dogs) shall be brought into or kept in, on or about any tenant's leased premises. No portion of any tenant's leased premises shall at any time be used or occupied as sleeping or lodging quarters.

8. Tenant shall not make or permit any vibration or improper, objectionable or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.

9. No machinery of any kind (other than normal office equipment) shall be operated by any tenant on its leased area without Landlord's prior written consent, nor shall any tenant use or keep in the Building any flammable or explosive fluid or substance (other than typical office supplies [e.g., photocopier toner] used in compliance with all Laws).

10. Landlord will not be responsible for lost or stolen personal property, money or jewelry from tenant's leased premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

11. No vending or dispensing machines of any kind may be maintained in any leased premises without the prior written permission of Landlord, other than those used for Tenant's employees.

12. [Intentionally omitted].

13. [Intentionally omitted].

14. No smoking (including e-cigarettes) is allowed anywhere in the Building. Smoking is allowed only in Landlord-designated smoking areas that are at least fifty (50) feet from the Building entry or elevators, public walkways and the Building's outdoor air intakes, outdoor louvers, or operable windows. Tenant shall not permit its employees, invitees or guests to smoke in the Premises or Building, or anywhere within the foregoing fifty (50) foot area (including without limitation e-cigarettes).

15. Canvassing, soliciting or peddling in or about the Premises or the Property is prohibited and Tenant shall cooperate to prevent same.

16. The Premises shall not be used for any use that is disreputable.

17. Tenant shall not use or permit space heaters or energy-intensive equipment unnecessary to conduct Tenant's business without written approval by Landlord. Any space conditioning equipment that is placed in the Premises by Tenant for the purpose of increasing comfort to occupants shall be operated on sensors or timers that limit operation of equipment to hours of occupancy in the areas immediately adjacent to the occupying personnel.

18. Tenant shall operate the Premises in a manner consistent with Landlord's Sustainability Practices.

19. After Tenant's initial improvements, Tenant shall not mark, paint, drill into, or in any way deface any part of the Building or Premises. No boring, driving of nails, or screws, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. Notwithstanding the foregoing, Tenant shall be permitted to decorate the Premises, including placing framed pictures or posters on the walls of the Premises, without such consent from Landlord. Tenant shall not install any resilient tile or similar floor covering, or cement or other similar adhesive material.

20. Tenant shall not waste electricity or water and agrees to cooperate fully with Landlord, without any material additional cost to Tenant, to assure the most effective operation of the Building's heating and air conditioning. Tenant shall keep corridor doors closed except when being used for access.

21. [Intentionally omitted].

22. [Intentionally omitted].

23. Building employees shall not be required to perform, and shall not be requested by any tenant or occupant to perform, any work outside of their regular duties, unless under specific instructions from the office of the manager of the Building .

24. Tenant may request heating and/or air conditioning during other periods in addition to normal working hours by submitting its request in writing to the office of the manager of the Building no later than 12:00 p.m. the preceding Business Day on forms available from the office of the manager. The request shall clearly state the start and stop hours of the "off-hour" service. Tenant shall submit to the Building Manager a list of personnel authorized to make such request. The Tenant shall be charged for such operation in the form of additional rent; such charges are to be determined by the Landlord.

25. Janitorial services shall be provided in accordance with Exhibit H. Tenants shall not cause unnecessary labor by reason of carelessness or indifference in the preservation of good order and cleanliness. The work of the janitor or cleaning personnel shall not be hindered by Tenant and such work may be done at any time when the offices are vacant. The windows, doors and fixtures may be cleaned at any time without interruption of purpose for which the Premises are let. Tenant shall provide adequate waste and rubbish receptacles, cabinets, bookcases, map cases, etc. necessary to prevent unreasonable hardship to Landlord in discharging its obligation regarding cleaning service. Boxes should be broken down to fit into containers.

26. These Building Rules and Regulations are subject to change and are not limited to what is contained herein. Landlord and the Building manager reserve the right to implement additional non-discriminatory Building Rules and Regulations as may be prudent upon prior written notice to Tenant.

EXHIBIT E-1

PARKING RULES AND REGULATIONS

The parking rules & regulations are designed to assure our tenants and visitors safe use and enjoyment of the facilities. Please remove or hide any personal items of value from plain sight to avoid temptation leading to vandalism of vehicles. Please exercise added caution when using parking lot at night. Please keep vehicle locked at all times. Please report violations of these rules to Landlord immediately. Please report any lights out or other possibly dangerous situations to Landlord as soon as possible.

Restrictions

Unless caused by the negligence or willful misconduct of Landlord, its agents, contractors or employees, damage caused by vehicles is the responsibility of vehicle owner.
Unless caused by the negligence or willful misconduct of Landlord, its agents, contractors or employees, Landlord is not responsible for theft or damage to any vehicle.
Landlord is not responsible for water damage from leaks in the garage or any surface parking area.
Landlord is not responsible for damage due to height limitations of garage.
Vehicles not to exceed 2 miles per hour speed limit in the garage.
Vehicles that leak excessive fluids will be required to protect parking surface.
Mechanical repairs to vehicles are not permitted on property.
Large or oversize vehicles such as motor homes, boats or trailers are not permitted.
No parking in fire lanes, loading zones or any other areas not designated as a parking space.
Landlord, at Landlord's sole discretion, may add or modify the parking rules, and Landlord shall not discriminate against Tenant in the enforcement thereof.
Landlord reserves the right to relocate the location of reserved spaces from time to time.
Rental for reserved spaces shall be paid to Landlord by Tenant along with, and on the same due date as, the monthly Base Rent.

Violations of rules & regulations may result in towing from the Project. Towing from the Project can only be ordered by Landlord or Landlord's property manager. Charges for towing are to be paid by vehicle owner.

These Parking Rules and Regulations are subject to change and are not limited to what is contained herein. Landlord and the Building manager reserve the right to implement additional non-discriminatory Parking Rules and Regulations as may be prudent upon prior written notice to Tenant.

EXHIBIT F

CONFIRMATION OF COMMENCEMENT DATE

_____, 202_

_____
_____
_____
_____

Re: Lease Agreement (the "**Lease**") dated _____, 202_, between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("**Landlord**"), and Sage Therapeutics, Inc., a Delaware corporation ("**Tenant**"), for approximately 30,567 rentable square feet of space in the building known and numbered as 55 Cambridge Parkway, Cambridge, Massachusetts. Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Premises**. Tenant has accepted possession of the Premises pursuant to the Lease. Any improvements required by the terms of the Lease to be made by Landlord have been completed to the full and complete satisfaction of Tenant in all respects except for the punchlist items described on Exhibit A hereto (the "**Punchlist Items**"), and except for (i) such Punchlist Items, (ii) Landlord's warranty obligations under Exhibit D to the Lease, and (iii) items that are of seasonal nature that have not been used by Tenant (*e.g.*, heating if the Commencement Date occurs in the air conditioning season), Landlord has fulfilled all of its duties under the Lease with respect to such initial tenant improvements. Furthermore, Tenant acknowledges that the Premises are suitable for the Permitted Use.

2. **Commencement Date**. The Commencement Date of the Lease is _____, 20___.

3. **Expiration Date**. The Term is scheduled to expire on the last day of the ___ full calendar month of the Term, which date is _____, 20___.

4. **Contact Person**. Tenant's contact person in the Premises is:

Attention:
Telephone:
Email:

5. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease. Additionally, Tenant further confirms and ratifies that, to the best of Tenant's knowledge, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant [OR STATE ANY CLAIMS, COUNTERCLAIMS, SET-OFFS OR DEFENSES].

6. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Premises are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

55 CAMBRIDGE PARKWAY, LLC, a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, its sole member

By:
Name:
Title:

Agreed and accepted:
SAGE THERAPEUTICS, INC., a Delaware corporation

a
By:
Name:
Title:

EXHIBIT A

PUNCHLIST ITEMS

[ATTACH PUNCHLIST REFERENCED IN THE WORK LETTER]

EXHIBIT G

FORM OF TENANT ESTOPPEL CERTIFICATE

The undersigned is the Tenant under the Lease (defined below) between 55 Cambridge Parkway, LLC, a Delaware limited liability company, as Landlord, and the undersigned as Tenant, for the Premises on the third (3rd) and fourth (4th) floors of the West Wing of the building located at 55 Cambridge Parkway, Cambridge, Massachusetts, and hereby certifies as follows:

1. The Lease consists of the original Office Lease Agreement dated as of _____, 20____ between Tenant and Landlord [‘s predecessor-in-interest] and the following amendments or modifications thereto (if none, please state “none”): _____

The documents listed above are herein collectively referred to as the “Lease” and represent the entire agreement between the parties with respect to the Premises. All capitalized terms used herein but not defined shall be given the meaning assigned to them in the Lease.

2. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Section 1 above.

3. The Term commenced on _____, 20___, and the Term expires, excluding any renewal options, on _____, 20___, and Tenant has no option to purchase all or any part of the Premises or the Building or, except as expressly set forth in the Lease, any option to terminate or cancel the Lease.

4. Tenant currently occupies the Premises described in the Lease and Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows (if none, please state “none”):

5. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is $_____.

6. To the best of Tenant’s knowledge, all conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, Tenant has not delivered any notice to Landlord regarding a default by Landlord thereunder [except _____].

7. As of the date hereof, to the best of Tenant's knowledge, there are no existing defenses or offsets, or claims or any basis for a claim, that Tenant has against Landlord and, to the best of Tenant's knowledge, no event has occurred and no condition exists, which, with the giving of notice or the passage of time, or both, will constitute a default of Landlord under the Lease. [OR STATE ANY DEFENSES, OFFSETS, DEFAULTS, ETC.]

8. No rental has been paid more than 30 days in advance and no security deposit has been delivered to Landlord except as provided in the Lease.

9. If Tenant is a corporation, partnership or other business entity, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the state in which the Premises are located and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

10. To the best of Tenant's knowledge, there are no actions pending against Tenant under any bankruptcy or similar laws of the United States or any state. [OR STATE ANY BANKRUPTCY ACTIONS]

11. [Intentionally omitted].

12. All tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by Tenant [except _____]and all reimbursements and allowances due to Tenant under the Lease in connection with any tenant improvement work have been paid in full.

Tenant acknowledges that this Estoppel Certificate may be delivered to Landlord, Landlord's Mortgagee or to a prospective mortgagee or prospective purchaser, and their respective successors and assigns, and acknowledges that Landlord, Landlord's Mortgagee and/or such prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in disbursing loan advances or making a new loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of disbursing loan advances or making such loan or acquiring such property.

[Signature page follows]

Executed as of _____, 20___.

TENANT:
SAGE THERAPEUTICS, INC.,
a Delaware corporation

By:
Name:
Title:

EXHIBIT H

LANDLORD'S SERVICES

I. CLEANING

A. Office Area

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Empty and clean all waste receptacles; wash receptacles as necessary.
2. Sweep and dust mop all uncarpeted areas using a dust-treated mop.
3. Vacuum all rugs and carpeted areas.
4. Hand dust and wipe clean with treated cloths all horizontal surfaces including furniture, office equipment, window sills, door ledges, chair rails, and convector tops, within normal reach.
5. Wash clean all water fountains.
6. Remove and dust under all desk equipment and telephones and replace same.
7. Wipe clean all brass and other bright work.
8. Hand dust all grill work within normal reach.

Weekly:

1. Dust coat racks, and the like.
2. Remove all finger marks from private entrance doors, light switches and doorways.

Quarterly:

1. Clean and spray wax vinyl tile floors in tenant areas.
2. Render high dusting not reached in daily cleaning to include:
    a. Dusting all pictures, frames, charts, graphs, and similar wall hangings.

b. Dusting all vertical surfaces, such as walls, partitions, doors, and ducts.

c. Dusting all pipes, ducts, and high moldings.

B. Lavatories

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Sweep and damp mop floors.

2. Clean all mirrors, powder shelves, dispensers and receptacles, bright work, flushometers and piping.

3. Wash all toilet seats.

4. Wash all basins, bowls and urinals.

5. Dust and clean all powder room fixtures.

6. Empty and clean paper towel and sanitary disposal receptacles.

7. Refill tissue holders, soap dispensers, towel dispensers, vending sanitary dispensers; materials to be finished by Landlord.

8. A sanitizing solution will be used in all lavatory cleaning.

Monthly:

1. Machine scrub lavatory floors.

2. Wash all partitions and tile walls in lavatories.

C. Main Lobby, Elevators, Building Exterior and Corridors

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Sweep and wash all floors.

2. Wash all rubber mats.

3. Clean elevators, wash or vacuum floors, wipe down walls and doors.

4. Spot clean any metal work inside lobby.

5. Spot clean any metal work surrounding Building entrance doors.

Monthly: All resilient tile floors in public areas to be treated equivalent to spray buffing.

D. Window Cleaning

Windows of exterior walls will be washed semiannually.

II. HEATING, VENTILATING, AND AIR CONDITIONING

1. Heating, ventilating, and air conditioning as required to provide reasonably comfortable temperatures, appropriate for the season, for normal business day occupancy; Monday through Friday from 8:00 a.m. to 6:00 p.m. (excepting Holidays). In addition, Landlord shall provide any additional heating, ventilating and air conditioning as may be required by Tenant in accordance with Section 7(a) of this Lease.

2. Maintenance of any special air conditioning equipment installed by Tenant and the associated operating cost will be at Tenant's expense.

III. WATER

Hot water for lavatory purposes and cold water for drinking, office kitchenette, lavatory and toilet purposes.

IV. ELEVATORS

Elevators for the use of all tenants and the general public for access to and from all floors of the Building. Programming of elevators (including, but not limited to, service elevators) shall be as Landlord from time to determines best for the Building as a whole; provided, however, that, subject to emergency situations and Force Majeure, there shall always be adequate passenger and service elevator service to the Premises at all times.

V. RELAMPING OF LIGHT FIXTURES

Tenant will reimburse Landlord for the cost of lamps, ballasts and starters and the cost of replacing the same within the Premises.

VI. CAFETERIA AND VENDING INSTALLATIONS

1. Any space to be used primarily for lunchroom or cafeteria operation shall be Tenant's responsibility to keep clean and sanitary, it being understood that Landlord's approval of such use must be first obtained in writing in accordance with Section 8 of this Lease.

2. Vending machines or refreshment service installations by Tenant must be approved by Landlord in writing and shall be restricted in use to employees and business callers. All cleaning necessitated by such installations shall be at Tenant's expense.

VII. ELECTRICITY

A. Landlord shall furnish electrical energy required for lighting, electrical facilities, equipment, machinery, fixtures, and appliances used in or for the benefit of the Premises in accordance with the provisions of this Lease, which shall not be less than 8.0 watts per rentable square feet of the Premises.

B. Electricity to the Premises shall be submetered or check metered to the Premises. Tenant shall pay for all charges for electric consumption in the Premises as reasonably determined by Landlord based on readings of such submeters or check meters ("**Electricity Charges**"), but without mark-up above actual cost, within thirty (30) days of Landlord's invoice therefor, from time to time, but not more often than monthly; provided that upon written notice from Landlord, Tenant shall pay an estimate of such charges, as reasonably determined by Landlord from time to time, monthly at the same time and in the same manner as payments of Base Rent, with appropriate payment (or credit against future electric charges or a refund to Tenant if the Term has expired) to be made annually based upon the actual cost of electricity as determined by Landlord annually for the prior year. If Landlord elects to install submeters or check meters, such installation shall be at Landlord's sole cost and expense and the Construction Allowance shall not be applied to such cost. If at any time electric charges for the Premises are separately metered and payable directly to the utility therefor, Tenant shall pay such charges before they become due. Landlord shall have the exclusive right to designate the electric service provider to serve the Building provided that such electric service provider is capable of, and provides, electricity to the Building so that the Premises are served by at least the amount of watts per square foot specified below and that there is sufficient electric current for Landlord to provide heating, ventilation and air condition as required by this Lease and to provide adequate electricity, heating, ventilation and air conditioning for the common areas of the Building consistent with Class A office buildings in Kendall Square.

Tenant covenants and agrees that its use of electric current (exclusive of HVAC) shall not exceed 8.0 watts per square foot of rentable floor area and that its total connected lighting load will not exceed the maximum load from time to time permitted by applicable governmental regulations.

EXHIBIT I-1

LIST OF APPROVED ISSUING BANKS

INVESCO REAL ESTATE
ACCEPTABLE BANK LIST
For Depository Accounts & Letters of Credit

Depository Accounts and Letters of Credit

Bank of America

Bank of Montreal (BMO)

PNC Bank

SunTrust Bank

US Bank, N.A.

Wells Fargo Bank

JPMorgan Chase

EXHIBIT 1-2

FORM OF LETTER OF CREDIT

[See Attached]

DRAFT

THIS DRAFT LC IS PROVIDED TO YOU AT YOUR REQUEST AND THERE IS NO OBLIGATION ON OUR PART DESPITE OUR ASSISTANCE IN THE PREPARATION OF THIS DRAFT LC. THE DRAFT LC IS NOT TO BE CONSTRUED AS EVIDENCE OF COMMITMENT ON OUR PART TO ISSUE OR ADVISE SUCH LC'S IN THE FUTURE.

FILENAME * MERGEFORMAT Sage Therapeutics Lease(6277841.2).docx

****

JPMORGAN CHASE BANK N.A.
Trade & Working Capital Operations 10410 Highland Manor Drive, Floor 03
Tampa, Florida 33610-9128

DRAFT

THIS DRAFT LC IS PROVIDED TO YOU AT YOUR REQUEST AND THERE IS NO OBLIGATION ON OUR PART DESPITE OUR ASSISTANCE IN THE PREPARATION OF THIS DRAFT LC. THE DRAFT LC IS NOT TO BE CONSTRUED AS EVIDENCE OF COMMITMENT ON OUR PART TO ISSUE OR ADVISE SUCH LC'S IN THE FUTURE.

FILENAME * MERGEFORMAT Sage Therapeutics Lease(6277841.2).docx

****

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER DATE:

To: Beneficiary Name and Address DEAR SIR/MADAM:

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR.

BENEFICIARY: 55 CAMBRIDGE PARKWAY, LLC
C/O INVESCO REAL ESTATE
2001 ROSS AVENUE SUITE 3400 DALLAS, TX 75201
ATTN: ASSET MANAGER (55 CAMBRIDGE PARKWAY, CAMBRIDGE, MA)

ACCOUNT PARTY: (NAME AND ADDRESS)

DATE OF EXPIRY: [--- NEED FIRM DATE ---]

PLACE OF EXPIRY: OUR COUNTERS AMOUNT:

APPLICABLE RULES: ISP LATEST VERSION

WE HEREBY ISSUE THIS LETTER OF CREDIT FOR THE ACCOUNT OF APPLICANT/OBLIGOR,**NAME AND FULL ADDRESS INCLUDING CITY AND STATE** ON BEHALF OF ACCOUNT PARTY, **NAME**.

FUNDS UNDER THIS CREDIT ARE AVAILABLE AT SIGHT WITH JPMORGAN CHASE BANK, N.A. UPON PRESENTATION OF BENEFICIARY'S SIGNED AND DATED STATEMENT READING AS FOLLOWS:

" PURSUANT TO THAT CERTAIN LEASE (INCLUDING ANY AMENDMENTS AND RESTATEMENTS THERETO, THE "LEASE") BETWEEN BENEFICIARY, AS LANDLORD, AND ACCOUNT PARTY, AS TENANT, WITH REGARD TO CERTAIN PREMISES LOCATED AT 55 CAMBRIDGE PARKWAY, CAMBRIDGE, MASSACHUSETTS, THE BENEFICIARY IS ENTITLED TO DRAW, AND HEREBY DEMANDS, THE AMOUNT OF USD UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER ".

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL ONE YEAR PERIODS FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 60 DAYS PRIOR TO THE CURRENT EXPIRY DATE WE SEND NOTICE IN WRITING TO YOU AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO AUTOMATICALLY EXTEND THIS LETTER OF CREDIT FOR ANY ADDITIONAL PERIOD. HOWEVER IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND THE FINAL EXPIRY DATE OF ----------.

UPON SUCH NOTICE TO YOU, YOU MAY DRAW ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN-APPLICABLE EXPIRY DATE, BY PRESENTATION OF YOUR DATED SIGNED STATEMENT READING AS FOLLOWS:

"THE AMOUNT OF THIS DRAWING USD ---------- UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER ---------- REPRESENTS FUNDS DUE US AS WE HAVE RECEIVED NOTICE FROM JPMORGAN CHASE BANK, N.A. OF THEIR DECISION NOT TO AUTOMATICALLY EXTEND LETTER OF CREDIT NUMBER
"

THIS LETTER OF CREDIT IS TRANSFERABLE, BUT ONLY IN ITS ENTIRETY, AND MAY BE SUCCESSIVELY TRANSFERRED. TRANSFER OF THIS LETTER OF CREDIT SHALL BE EFFECTED BY US UPON YOUR SUBMISSION OF THIS ORIGINAL LETTER OF CREDIT, INCLUDING ALL AMENDMENTS, IF ANY, ACCOMPANIED BY OUR

TRANSFER REQUEST FORM DULY COMPLETED AND EXECUTED. IF YOU WISH TO TRANSFER THE LETTER OF CREDIT, PLEASE CONTACT US FOR THE FORM WHICH WE SHALL PROVIDE TO YOU UPON YOUR REQUEST. IN ANY EVENT, THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED TO ANY PERSON OR ENTITY LISTED IN OR OTHERWISE SUBJECT TO, ANY SANCTION OR EMBARGO UNDER ANY APPLICABLE RESTRICTIONS. ACCOUNT PARTY SHALL PAY ANY CHARGES AND FEES RELATED TO SUCH TRANSFER PROVIDED THAT ANY FAILURE TO PAY SUCH TRANSFER CHARGES AND FEES SHALL NOT AFFECT THE VALIDITY OF SUCH TRANSFER.

WE ENGAGE WITH YOU THAT DOCUMENTS DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED IF PRESENTED AT, OR BY OVERNIGHT DELIVERY TO, OUR COUNTERS AT 10410 HIGHLAND MANOR DRIVE, FLOOR 03, TAMPA, FL 33610-9128, ATTN: TRADE OPERATIONS - STANDBY LCS, ON OR BEFORE THE EXPIRATION DATE. WE FURTHER ACKNOWLEDGE AND AGREE THAT UPON RECEIPT OF THE DOCUMENTATION REQUIRED HEREIN, WE WILL HONOR YOUR DRAWS AGAINST THIS LETTER OF CREDIT WITHOUT INQUIRY INTO THE VERACITY OF BENEFICIARY'S SIGNED STATEMENT REGARDLESS OF WHETHER ACCOUNT PARTY DISPUTES THE CONTENT OF SUCH STATEMENT. ALL PAYMENTS DUE HEREUNDER SHALL BE MADE BY WIRE TRANSFER TO THE BENEFICIARY'S ACCOUNT PER THEIR INSTRUCTIONS. ALL DOCUMENTS PRESENTED MUST BE IN ENGLISH.

DRAWINGS HEREUNDER MAY BE PRESENTED BY FACSIMILE/TELECOPY ("FAX") TO FAX NUMBER 856-294-5267 UNDER TELEPHONE PRE-ADVICE TO 1-800-634-1969. SUCH FAX PRESENTATION(S) MUST BE RECEIVED ON OR BEFORE THE EXPIRY DATE IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT. ANY SUCH FAX PRESENTATION SHALL BE CONSIDERED THE SOLE OPERATIVE INSTRUMENT OF DRAWING. IN THE EVENT OF PRESENTATION BY FAX, THE ORIGINAL DOCUMENTS SHOULD NOT ALSO BE PRESENTED.

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO EXPIRATION PROVIDED THE ORIGINAL LETTER OF CREDIT (AND AMENDMENTS, IF ANY) ARE RETURNED TO JPMORGAN CHASE BANK, N.A., AT OUR ADDRESS AS INDICATED HEREIN, WITH A STATEMENT SIGNED BY THE BENEFICIARY STATING THAT THE ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE ISSUING BANK FOR CANCELLATION.

THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT ISP98 WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS STANDBY LETTER OF CREDIT QUOTING OUR REFERENCE NUSCGSXXXXX TO:
JPMORGAN CHASE BANK, N.A.
ATTN: TRADE OPERATIONS-STANDBY LCS
10410 HIGHLAND MANOR DRIVE, FLOOR 03
TAMPA, FL 33610-9128

ALL INQUIRIES REGARDING THIS TRANSACTION MAY BE DIRECTED TO OUR CLIENT SERVICE GROUP AT THE FOLLOWING TELEPHONE NUMBER OR EMAIL ADDRESS QUOTING OUR REFERENCE
TELEPHONE NUMBER 1-800-634-1969

EMAIL ADDRESS: GTS.CLIENT.SERVICES@JPMCHASE.COM

YOURS FAITHFULLY, JPMORGAN CHASE BANK, N.A.

Authorized Signature

EXHIBIT J

MOISTURE AND MOLD CONTROL INSTRUCTIONS

Because exercising proper ventilation and moisture control precautions will help maintain Tenant's comfort and prevent mold growth in the Premises, Tenant agrees to adopt and implement the following guidelines, to avoid the development of excessive moisture or mold growth:

1. Report any maintenance problems involving water, moist conditions, or mold to the Building Manager promptly and conduct its required activities in a manner that prevents unusual moisture conditions or mold growth.

2. Do not block or inhibit the flow of return or make up air into the HVAC system. Maintain the Premises at a consistent temperature and humidity level in accordance with the Building Manager's instructions.

3. [Intentionally omitted].

4. Maintain water in all drain taps at all times.

Dated: _____, 202_

TENANT:

SAGE THERAPEUTICS, INC., a Delaware corporation

By: /s/ Barry Greene
Name: Barry Greene
Title: CEO

EXHIBIT K

EXPANSION OPTION; RIGHT OF FIRST OFFER

1. **Expansion Option**.

On or before April 30, 2024 (the "**Expansion Option Period**"), Tenant shall have the option to expand the Premises to include any one or more of the following full floor east or west increments (the "**Potential Expansion Space Increments**") if and to the extent that the applicable Potential Expansion Space Increment is then Available (as defined below), provided that Landlord shall ensure that at least one of the following Potential Expansion Space Increments is then Available: (i) Suite 500W, consisting of approximately 15,267 rentable square feet located on the fifth (5th) floor of the West Wing of the Building (the "**5W Increment**"), (ii) Suites 300E and 301E, collectively, consisting of approximately 15,969 rentable square feet in the aggregate on the third (3rd) floor of the East Wing of the Building (the "**3E Increment**"), and/or (iii) Suite 200W, consisting of approximately 10,514 rentable square feet on the second (2nd) floor of the West Wing of the Building (the "**2W Increment**"); subject to the terms and conditions hereof (the "**Expansion Option**").

If Tenant desires to lease any of the Potential Expansion Space Increments, Tenant shall deliver written notice thereof ("**Tenant's Availability Request** XE "Tenant's Expansion Notice" ") to Landlord on or before the expiration of the Expansion Option Period. Within two (2) Business Days after receipt of Tenant's Availability Request, Landlord shall notify Tenant in writing ("**Landlord's Availability Notice**") of all Potential Expansion Space Increments that are then Available, provided that at least one (1) of the Potential Expansion Space Increments must be Available, and the date(s) on which Landlord anticipates delivering possession of the applicable Potential Expansion Space Increment to Tenant free of any occupants (as applicable, the "**Anticipated Delivery Date**"), which Anticipated Delivery Date(s) shall not occur prior to September 1, 2024. If Tenant desires to lease any Potential Expansion Space Increments listed as Available on Landlord's Availability Notice, Tenant shall deliver written notice thereof ("**Tenant's Expansion Notice**") within ten (10) days after Tenant's receipt of Landlord's Availability Notice. Tenant's Expansion Notice must identify which of the Available Potential Expansion Space Increments it is electing to lease (each Available Increment elected by Tenant, the applicable "**Expansion Space**"). For purposes of this Section 1, a Potential Expansion Space Increment shall be considered "**Available**" if no part of such Potential Expansion Space Increment is subject to any new lease entered into after the Lease Date or any letter of intent or mutually agreed upon terms and conditions by Landlord and a third party evidenced by a term sheet or lease proposal concerning the possible lease of such Potential Expansion Space Increment, it being acknowledged and agreed that Landlord shall have the right to market the Potential Expansion Space Increments and to negotiate and enter into any lease proposals or leases therefor with any third party, provided that, upon Tenant's written request, Landlord shall use reasonable efforts to keep Tenant apprised of any prospective leasing of any portion of the Potential Expansion Space Increments during the Expansion Option Period, and provided further that at least one (1) of the Potential Expansion Space Increments must be Available to lease to Tenant pursuant to the terms hereof during the Expansion Option Period.

If Tenant timely delivers Tenant's Expansion Notice, then (A) Landlord shall use commercially reasonable efforts to deliver possession of the applicable Expansion Space to Tenant by the applicable Anticipated Delivery Date, subject to any existing tenant vacating the same by such date, (B) Tenant's leasing of each Expansion Space shall be on all of the same terms and conditions of the Lease, except that:

(i) the Term with respect to each applicable Expansion Space (as applicable, the "**Expansion Space Term**") shall commence on the later of (a) September 1, 2024 and (b) the date of actual delivery of the applicable Expansion Space to Tenant (the applicable "**Expansion Space Commencement Date**") and shall expire on the last day of the sixty-sixth (66^{th}) full calendar month following the latest applicable Expansion Space Commencement Date (the "**New Expiration Date**");

(ii) commencing as of the date that is six (6) months after the applicable Expansion Space Commencement Date (the applicable "**Expansion Space Rent Commencement Date**"), Base Rent for such Expansion Space shall be payable at the same per rentable square foot per annum rate then payable (and as payable thereafter) for the Original Premises through the Original Expiration Date, and for any portion of the applicable Expansion Space Term beyond the Original Expiration Date, the Base Rent for such Expansion Space shall continue to increase three percent (3%) annually on each anniversary of the Rent Commencement Date for the Original Premises that occurs during such Expansion Space Term;

(iii) Operating Cost Excess, Tax Excess and Insurance Excess shall continue to be payable for the Premises as provided under the Lease, except that, commencing on the applicable Expansion Space Rent Commencement Date, the "Tenant's Proportionate Share" shall be adjusted to include the rentable square of such Expansion Space in the total rentable area of the Premises;

(iv) the Term for the entire Premises, as may be expanded pursuant to this Expansion Option, shall be coterminous and expire on the New Expiration Date, and accordingly, the Original Term for the Original Premises automatically shall be extended beyond the Original Expiration Date through the New Expiration Date, and the Base Rent for the Original Premises for such extended portion of the Term shall continue to increase three percent (3%) annually on each anniversary of the Rent Commencement Date for the Original Premises that occurs during such extended Term;

(v) the Expansion Space shall be delivered in its then "AS-IS" condition and in the condition required in Section 3(a) of the Lease (exclusive of the obligation from Landlord to Substantially Complete the Work), without any obligation on the part of Landlord to perform any other work or improvements or otherwise prepare the Expansion Space for Tenant's occupancy;

(vi) Landlord shall provide Tenant with a construction allowance in an amount equal to $110.00 per rentable square foot in the Expansion Space (the "**Expansion Space Allowance**"); and

(vii) the Security Deposit will be proportionately increased based on the increase in the rentable square footage of the Premises.

(For illustration purposes only, if Tenant exercises its Expansion Option with respect to the 2W Increment and the 5W Increment, and the Commencement Date for the original Premises occurs on September 1, 2024, the Expansion Space Commencement Date for the 2W Increment occurs on October 15, 2024, and the Expansion Space Commencement Date for the 5W Increment occurs on February 1, 2025, then (w) the New Expiration Date would be July 31, 2030, based on the latest applicable Expansion Space Commencement Date (i.e., February 1, 2025 for the 5W Increment); (x) with respect to the original Premises, the Term would be the period from September 1, 2024 through July 31, 2030, and the Rent Commencement Date for the original Premises would be March 1, 2025, with Base Rent for the original Premises payable at the initial per annum rate of $88.00 per rentable square foot of the original Premises, increasing three percent (3%) annually on each March 1st through the expiration of the Term on July 31, 2030; (y) with respect to the 2W Increment, the Expansion Space Term would be the period from October 15, 2024 through July 31, 2030, and the Expansion Space Rent Commencement Date for the 2W Increment would be April 15, 2025, with Base Rent for the 2W Increment payable at the same rate then payable (and as payable thereafter) for the original Premises, i.e., at the initial per annum rate of $88.00 per rentable square foot of the 2W Increment, increasing three percent (3%) annually on each March 1st through the expiration of such Expansion Space Term on July 31, 2030; and (z) with respect to the 5W Increment, the Expansion Space Term would be the period from February 1, 2025 through July 31, 2030, and the Expansion Space Rent Commencement Date for the 5W Increment would be August 1, 2025, with Base Rent for the 5W Increment payable at the same rate then payable (and as payable thereafter) for the original Premises, i.e., at the initial per annum rate of $88.00 per rentable square foot of the 5W Increment, increasing three percent (3%) annually on each March 1st through the expiration of such Expansion Space Term on July 31, 2030.)

If Tenant timely exercises its Expansion Option, Landlord and Tenant shall execute an amendment to this Lease within thirty (30) days following each applicable Expansion Space Commencement Date memorializing the addition of the applicable Expansion Space to the Premises, on the same terms as the Lease except as provided in the foregoing, provided that failure to execute such amendment shall not limit or affect in any way the obligations of Landlord and Tenant with respect to the Expansion Space. Notwithstanding anything to the contrary, Landlord's failure to deliver, or delay in delivering, all or any part of such Expansion Space, for any reason, shall not give rise to any liability of Landlord, shall not alter Tenant's obligation to accept such space when delivered, shall not constitute a default of Landlord, and shall not affect the validity of the Lease.

If Tenant fails or is unable to timely exercise its Expansion Option pursuant to this Section 1 with respect to all of the Expansion Space on or before the expiration of the Expansion Option Period, then such right shall lapse, time being of the essence with respect to the exercise thereof, and this Expansion Option shall terminate automatically and this Section 1 shall be of no further force or effect, and Landlord may use any of the Potential Expansion Space Increments for its own use or lease any of the Potential Expansion Space Increments to third parties on such terms as Landlord may elect, in Landlord's sole discretion.

Tenant's Expansion Option is personal to Tenant, and, notwithstanding anything to the contrary herein, Tenant's Expansion Option is expressly conditioned upon all of the following: (A) Tenant has not assigned the Lease or sublet any portion of the Premises, other than to an Affiliate or in connection with a Permitted Transfer, (B) Landlord receives Tenant's Expansion Notice prior to the expiration of the Expansion Option Period, and (C) no uncured Event of Default exists as of the date the Tenant's Expansion Notice is delivered to Landlord. Further, notwithstanding anything to the contrary, if Tenant timely exercises the Expansion Option and thereafter an Event of Default occurs that has not been cured as of the Expansion Space Commencement Date, then Landlord may elect to nullify the exercise of the Expansion Option by giving written notice thereof to Tenant on the applicable Expansion Space Commencement Date.

2. **Right of First Offer**.

Provided that (x) there are at least three (3) years remaining in the Term of the Lease (it being understood and agreed that Tenant may exercise any unexercised Extension Term under this Lease to satisfy such requirement), (y) Tenant has not assigned the Lease or sublet any portion of the Premises, other than to an Affiliate or in connection with a Permitted Transfer, and (z) no uncured Event of Default exists as of the date of Landlord's ROFO Offer Notice (as defined below), then subject to the existing rights of other tenants in the Building having expansion rights, rights of first offer, rights of first refusal or similar rights (if any) to lease such space (collectively, "**Superior Tenant Expansion Rights**") (which such Superior Tenant Expansion Rights existing as of the Lease Date with respect to the existing Potential ROFO Offer Space as of the Lease Date as shown on the floor plans attached hereto as Schedule K-1 are set forth on Schedule K-2 attached hereto, it being acknowledged and agreed that if the original Premises are expanded pursuant to Tenant's Expansion Option, then the amendment(s) to the Lease to be entered into by the parties to memorialize the addition of the applicable Expansion Space shall also amend Schedule K-1 and Schedule K-2 to reflect the modified Potential ROFO Offer Space based on the full floor east or west increment(s) that are immediately adjacent to the Premises as so expanded and the Superior Tenant Expansion Rights on such modified Potential ROFO Offer Space existing as of the date of the applicable amendment), and subject to the right of Landlord to extend or renew the tenancy under any then current lease (even if no extension or renewal rights are contained in such tenant's lease), Tenant shall have, except as set forth below, a one-time right of first offer on any full floor east or west increment that is immediately adjacent to the Premises as then constituted (*i.e.*, including any expansion of the original Premises) (the "**Potential ROFO Offer Space**") that is or becomes available for leasing in Landlord's sole discretion (the "**ROFO Offer Space**"), on the following terms and conditions:

(i) ROFO Offer Space Offered Terms. Landlord shall give notice (the "**ROFO Offer Notice**") to Tenant of the availability of the ROFO Offer Space, setting forth the Base Rent, the Base Years for Operating Costs, Taxes and Insurance and such other terms and conditions on which Landlord desires to lease such ROFO Offer Space (the "**ROFO Offer Space Offered Terms**"), and Tenant may accept such ROFO Offer Space pursuant to the terms below.

(iv) Acceptance of ROFO Offer Space. Tenant shall have ten (10) Business Days after the date of Landlord's ROFO Offer Notice within which to (a) unconditionally and irrevocably

accept in writing to lease all of the ROFO Offer Space on all of the ROFO Offer Space Offered Terms, for Tenant's own use, or (b) reject such proposal. Tenant's failure to agree in writing as provided in clause (a) above within such ten (10) Business Day period shall be deemed a rejection as provided in clause (b) above. Tenant may not elect to lease just a portion of the ROFO Offer Space, and any attempt by Tenant to make such an election shall be deemed a rejection by Tenant to lease the ROFO Offer Space (including any portion thereof). In the event that Tenant accepts the ROFO Offer Space as provided under clause (a) above, then the Term of the Lease with respect to all portions of the Premises as then constituted automatically shall be extended to be coterminous with the Term for such ROFO Offer Space as set forth in Landlord's ROFO Notice, and the Base Rent for each component of the Premises shall continue to be subject to three percent (3%) increases on each anniversary of the applicable "Rent Commencement Date" for such component of the Premises (the "**Base Rent Adjustment**").

(v) Confirmatory Instrument. If Landlord's ROFO Notice is accepted as provided under clause (a) in subsection (iv) above, the ROFO Offer Space shall, subject to the provisions set forth below and without further action by the parties, be leased by Tenant, for Tenant's own use, on the ROFO Offer Space Offered Terms and otherwise on all of the terms of the Lease in effect immediately prior to such expansion, and the Term with respect to the balance of the Premises shall be extended to be coterminous with the Term for the ROFO Offer Space, with Base Rent for each component of the existing Premises subject to the Base Rent Adjustment, but otherwise on all of the terms of the Lease in effect immediately prior to such extension, provided that, at the request of either party, Landlord and Tenant shall promptly execute and deliver an agreement confirming such expansion of the Premises and the estimated date the Premises are to be expanded pursuant to this Section with a provision for establishing the effective date of such expansion based on actual delivery, as well as the extension of the Term for the then existing Premises. Landlord's failure to deliver, or delay in delivering, all or any part of such leased ROFO Offer Space, for any reason, shall not give rise to any liability of Landlord, shall not alter Tenant's obligation to accept such space when delivered, shall not constitute a default of Landlord, and shall not affect the validity of the Lease.

(vi) Expiration of ROFO. In the event that Tenant rejects or is deemed to have rejected the ROFO Offer Space Offered Terms for a ROFO Offer Space under (iv) above, then Landlord shall be free to lease all or any portion of the Potential ROFO Offer Space at any time and from time-to time thereafter to a third party or parties on such terms as Landlord desires, in its sole discretion, and Tenant's right of first offer under this Section 2 of Exhibit K shall terminate and be of no further force or effect; provided, however, that Landlord shall not offer the applicable ROFO Offer Space to a third party in connection with the first lease of such applicable ROFO Offer Space that is not on economic terms equivalent to at least ninety percent (90%) of the economic terms offered to Tenant in Landlord's ROFO Offer Notice, without first offering the ROFO Offer Space again to Tenant pursuant to this Exhibit K.

Schedule K-1

Potential ROFO Offer Space as of the Lease Date
(*i.e.*, 2W, 3E, 4E, 5W)

[See Attached Floor Plans]

Schedule K-2

Superior Tenant Expansion Rights for Potential ROFO Offer Space as of the Lease Date
(*i.e.*, 2W, 3E, 4E, 5W)

2W: None.

3E: None.

4E: None.

5W: None.

EXHIBIT L

FORM OF MEMORANDUM OF LEASE

55 Cambridge Parkway, Cambridge, MA (For Title Reference, see Deed at Bk. 46884, Pg. 553)

NOTICE OF LEASE

Pursuant to M.G.L. Chapter 183, Section 4, notice is hereby given of the following described Lease:

LEASE EXECUTION DATE: _____, 202_

LANDLORD: 55 CAMBRIDGE PARKWAY, LLC, a Delaware limited liability company

TENANT: SAGE THERAPEUTICS, INC., a Delaware corporation

DESCRIPTION OF PREMISES: Approximately 30,567 rentable square feet, consisting of (i) approximately 15,300 rentable square feet on the third (3rd) floor of the West Wing of the building located at 55 Cambridge Parkway, Cambridge, Massachusetts (the "Building"), and (ii) approximately 15,267 rentable square feet on the fourth (4th) floor of the West Wing of the Building.

TERM:

A period commencing on the Commencement Date (as hereinafter defined), and expiring on the last day of the sixty-sixty (66th) full calendar month following the Commencement Date.

COMMENCEMENT DATE: Commencement Date shall mean the later of (i) September 1, 2024 and (ii) the date on which Landlord substantially completes the Work (as defined in, and determined in accordance with the Lease).

EXTENSION OPTION: Subject to the terms and provisions of the Lease, Tenant may extend the Lease with respect to the entire Premises for one (1) additional period of five (5) years.

EXPANSION OPTION: Subject to the terms and provisions of the Lease, on or before April 30, 2024, Tenant has the option to expand the Premises to include one or more of the following full floor east or west increments: (i) Suite 500W, consisting of approximately 15,267 rentable square feet located on the fifth (5th) floor of the West Wing of the Building, (ii) Suites 300E and 301E, collectively, consisting of approximately 15,969 rentable square feet in the aggregate on the third (3rd) floor of the East Wing of the Building, and/or (iii) Suite 200W, consisting of approximately 10,514 rentable square feet on the second (2nd) floor of the West Wing of the Building ("Potential Expansion Space Increments"), if and to the extent then Available (as defined in the Lease), provided that at least one of the Potential Expansion Space Increments must be Available.

RIGHT OF FIRST OFFER: Subject to the terms and provisions of the Lease, Tenant has a one-time right of first offer to lease any full floor east or west increment that is immediately adjacent to the Premises as then constituted.

NONENONE

NONENONE

This Notice of Lease is for the purpose only of recording, and for giving constructive notice of the Lease, and is not to have independent legal effect as a contract. Nothing herein shall serve to amend or otherwise alter the terms of the Lease. The terms of the Lease shall prevail in the event of any conflict with the terms hereof.

[PAGE ENDS HERE – SIGNATURE PAGE TO FOLLOW]

EXECUTED under seal as of the _____ day of _____, 202_.

LANDLORD

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, Its sole member

By: _____
Name:
Title:

TENANT

SAGE THERAPEUTICS, INC.,
a Delaware corporation

By: _____
Name:
Title:

STATE OF _____)
COUNTY OF _____)

On this ___ day of _____, 202_, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose, as _____ of Invesco ICRE Massachusetts REIT Holdings, LLC, in its capacity as sole member of 55 Cambridge Parkway, LLC, a Delaware limited liability company, as the voluntary act of said limited liability company.

WITNESS MY HAND AND OFFICIAL SEAL:

_____
Notary Public

_____
Printed Name of Notary

My Commission Expires:_____

STATE OF _____)
COUNTY OF _____)

On this ___ day of _____, 202_, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose, as _____ of Sage Therapeutics, Inc., a Delaware corporation, as the voluntary act of said corporation.

WITNESS MY HAND AND OFFICIAL SEAL:

_____
Notary Public

_____
Printed Name of Notary

My Commission Expires:_____

EXIBIT M

FORM OF BILL OF SALE FOR ACCEPTED FURNITURE

BILL OF SALE

For good and valuable consideration of One Dollar ($1.00), the receipt and sufficiency of which is hereby acknowledged, 55 CAMBRIDGE PARKWAY, LLC, a Delaware limited liability company ("Seller"), hereby sells, assigns, transfers and conveys to SAGE THERAPEUTICS, INC., a Delaware corporation ("Buyer"), all of Seller's right, title and interest, if any, in and to those items of furniture and other personal property that constitute the Accepted Furniture (as such term is defined in that certain Office Lease Agreement dated as of _____, 202_, by and between Seller, as landlord, and Buyer, as tenant, for premises on the third (3rd) and fourth (4th) floor of the West Wing of the building located at 55 Cambridge Parkway, Cambridge, Massachusetts).

The Accepted Furniture is hereby sold, assigned, transferred and conveyed "AS IS, WHERE IS, WITH ALL FAULTS," without any warranty or representation whatsoever, express or implied (including, without limitation, those of merchantability or fitness for any particular purpose).

IN WITNESS WHEREOF, Seller has executed this Bill of Sale, under seal, effective as of the 1st day of February, 2024.

SELLER:

55 CAMBRIDGE PARKWAY, LLC, a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, its sole member

By: _____
Name:
Title:

DOCPROPERTY "CUS_DocIDChunk0" 6277841.2

EXHIBIT 10.2

August 6, 2015

Confidential

Anne Marie Cook

Dear Anne Marie:

At Sage, our mission is to make life better for patients with central nervous systems diseases by discovering, developing, and delivering important new medicines to the market. Our success results from our people creating products with benefits for patients coupled with our drive to excel in all areas of our business.

On behalf of Sage Therapeutics, (the "Company"), I am pleased to extend an offer of employment to you. You have made an outstanding impression, and we welcome you to join our team and our quest to make a difference for patients. The purpose of this letter is to summarize the terms of your employment with the Company.

Position ***Senior Vice President, General Counsel, reporting to Jeff Jonas, Chief Executive Officer***

This position is a key factor in Sage's continued success, and we are confident that it will be an exciting opportunity for you as well. In considering this role, we ask that you agree to devote your full business time, best efforts, skill, knowledge, attention, and energies to the advancement of the Company's business and interests and to the performance of your duties and responsibilities as an employee of the Company.

Compensation Your base rate of compensation will be $15,000 bi-monthly (annualized rate of $360,000), less all applicable federal, state, and local taxes and withholdings, to be paid in installments in accordance with the Company's standard payroll practices. Such base salary may be adjusted from time to time in accordance with normal business practices and at the sole discretion of the Company.

In addition, you will be eligible to participate in the Sage Bonus Plan at an annual target of 35% of your base rate of compensation, which for calendar year 2015 will be prorated based upon your date of hire. This discretionary bonus will be based on the Company's assessment and attainment of corporate and individual goals.

Subject to the approval by the Board of Directors of the Company (the "Board"), in connection with the commencement of your employment you will be granted an option to purchase 110,000 shares of the Company's common stock (the "Option"). The Award will be granted following the commencement of your employment at our next Board or Committee meeting. The exercise price of the Award will be at least equal to the fair market value of
the Company's common stock on the date of grant. The Award will be subject to the terms and conditions of the Company's then-current stock option plan and form of stock option agreement. These Options will vest as follows: 25% of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; thereafter, the remaining 75% of the shares shall vest and become exercisable in 36 equal monthly installments at the end of each month following the anniversary of the Vesting Commencement Date. Vesting is contingent on your continued full-time employment with the Company. The Vesting Commencement Date is your date of hire with the Company.

Sign On Bonus The company will provide you with a sign-on bonus of $50,000 which will be subject to customary deductions and withholdings as required by law. If you should for any reason voluntarily terminate your employment with SAGE within the first 12 months of receiving the sign-on bonus, you agree to return the gross amount of the payment within 30 days of your departure date. If you voluntarily terminate your employment with SAGE within 13-24 months of receiving the bonus, you agree to return to the Company 50% of the gross amount of the sign on bonuses.

Benefits Because we care about the well-being of our employees, we are pleased to provide you with a comprehensive benefits and wellness package. This is meant to assist you in staying healthy, planning for the future, and developing your career. Our benefits currently include medical, dental, four weeks vacation (prorated during your first calendar year of employment), fitness benefit, flexible-spending accounts, 401k, and much more. Additional information about these benefits is outlined in the enclosed summary.

Eligibility for Employment For purposes of federal immigration law, you will be required to provide the Company documentary evidence that you are eligible for employment in the United States and evidence of your identity. This requirement applies to U.S. citizens, as well as foreign nationals. Such documentation must be provided to the Company within three (3) business days of your date of hire. Please bring the appropriate documents with you on your first day of employment.

As a condition of your employment, you will be required to execute the "Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement" (the "Agreement"). You are asked to return a signed copy on your first day of employment.

Employment Relationship While we hope for a long and mutually beneficial relationship, you acknowledge that this letter does not constitute a contract of employment for any particular period of time and does not affect the at-will nature of the employment relationship with the Company. Either you or Sage has the right to terminate your employment at any time.

Prior Obligations By signing this letter, you represent that you are not bound by any employment contract, restrictive covenant, or other restriction preventing you from entering into employment with or carrying out your responsibilities for the Company, or which is in any way inconsistent with the terms of this letter. Please note that this offer letter is your formal offer of employment and supersedes any and all prior or contemporaneous agreements, discussions, and understandings, whether written or oral, relating to the subject matter of this letter or your employment with the Company. The resolution of any disputes under this letter will be governed by Massachusetts law.

If this letter correctly sets forth the initial terms under which you will be employed by the Company, please sign this letter in the space provided below and return it to me along with the signed Agreement Concerning Loyalty, Confidential Business Information, Inventions and Post-Employment Activity. This offer will remain open for five business days from the date of this letter.

We are very enthusiastic about having you join our team! We believe you will make a critical contribution to our success and believe that the opportunities presented will allow you significant personal and professional growth. We hope that you will find Sage a rewarding experience. If you have any questions please do not hesitate to call anytime.

Very truly yours,

SAGE Therapeutics

/s/ Erin Lanciani

By: Erin Lanciani
Vice President, Human Resources

/s/ Anne Marie Cook	8/31/15	9/16/15
Signature	Date	Start Date

Exhibit 10.3

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This Severance and Change in Control Agreement (this "Agreement") is made as of September 15, 2015 by and between Sage Therapeutics, Inc., a Delaware corporation (the 'Company"), and Anne Marie Cook (the "Executive") and shall become effective on the date of hire with the Company.

1. Purpose. The Company considers it essential to the best interests of its stockholders to promote and preserve the continuous employment of key management personnel. The Board of Directors of the Company (the "Board") recognizes that, as is the case with many corporations, the possibility of a Change in Control (as defined in Section 2 hereof) exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of key management personnel to the detriment of the Company and its stockholders. Therefore, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's key management, including the Executive, to their assigned duties without distraction, including in the face of potentially disturbing circumstances arising from the possibility of a Change in Control. Nothing in this Agreement shall be construed to affect the at-will nature of the employment relationship, the Executive shall not have any right to be retained in the employ of the Company.

2. Change in Control. A "Change in Control" shall be deemed to have occurred upon the occurrence of any one of the following events: (a) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (b) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (c) the sale of all of the stock of the Company to an unrelated person, entity or group thereof acting in concert, or (d) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

3. Terminating Event.

A "Terminating Event" shall mean any of the events provided in this Section 3:

(a) Termination by the Company. Termination by the Company of the employment of the Executive with the Company for any reason other than for Cause, death or Disability. For purposes of this Agreement, "Cause" shall mean, as determined by the Company in good faith:

(i) the indictment the Executive of any felony, any crime involving the Company, or any crime involving fraud, moral turpitude or dishonesty;

(ii) any unauthorized use or disclosure of the Company's proprietary information which has an adverse effect on the Company's business or reputation. As used in this paragraph, "Proprietary Information" means any information in whatever form, tangible or intangible, related to the business of the Company unless the information is publicly available in hard copy or electronic format, through lawful means;

(iii) any intentional misconduct or gross negligence on the Executive's part which has a materially adverse effect on the Company's business or reputation; or

(iv) the Executive's repeated and willful failure to perform the duties, functions and responsibilities of the Executive's position after a written warning from the Company.

A Terminating Event shall not be deemed to have occurred pursuant to this Section 3(a) solely as a result of the Executive becoming an employee of any direct or indirect successor to the business or assets of the Company, rather than continuing as an employee of the Company following a Change in Control. For purposes hereof, the Executive will be considered "Disabled" if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties to the Company on a full-time basis for 180 calendar days in the aggregate in any 12-month period.

(b) Termination by the Executive for Good Reason. Termination by the Executive of the Executive's employment with the Company for Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following, the occurrence of any of the following events:

(i) a material diminution in the Executive's responsibilities, authority or duties;

(ii) a material diminution in the Executive's base salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company;

(iii) a material change, defined as miles or more, in the geographic location at which the Executive is required to provides services to the Company, not including business travel and short-term assignments; or

(iv) a material breach of this Agreement by the Company.

"Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company' s efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) the Executive provides a Notice of Termination to the Company within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Change in Control Payment. In the event a Terminating Event occurs on or within the 12 months immediately after a Change in Control (such 12-month period, the "Change in Control Period"), subject to the Executive signing a separation agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property and non-disparagement, in the form attached hereto as Attachment A (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination or end of the Cure Period , the following shall occur

(a) the Company shall pay to the Executive an amount equal to the sum of (i) 9 months of the Executive's annual base salary in effect immediately prior to the Terminating Event (or the Executive's annual base salary in effect immediately prior to the Change in Control, if higher), and (ii) a pro rata portion of the Executive's target bonus for the fiscal year in which the termination of employment occurs, determined by multiplying the target bonus by a fraction, the numerator of which shall be the number of days during the fiscal year in which the Executive was employed by the Company and the denominator of which shall be 365;

(b) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a lump sum payment, in an amount equal to 12 times the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company;

(c) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all stock options and other stock-based awards with time-based vesting held by the Executive shall immediately accelerate and become fully exercisable and no forfeitable as of the Executive's Date of Termination conditioned upon the Separation Agreement and Release becoming irrevocable; and

(d) the amounts payable under this Section 4 shall be paid out in a lump sum commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year by the last day of such 60-day period. All other wages earned, including, but not limited to, accrued vacation, to the Date of Termination shall be paid on the Date of Termination.

5. Severance Outside the Change in Control Period. In the event a Terminating Event occurs at any time other than during the Change in Control Period, subject to the Executive signing the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the following shall occur:

(a) the Company shall pay to the Executive an amount equal to 12 months times the Executive's annual base salary in effect immediately prior to the Terminating Event;

(b) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for 12 months in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company; and

(c) the amounts payable under this Section 5 shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 12 months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Additional Limitation.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Compensatory Payments"), would be subject to the excise tax imposed by Section 4999 of the

Internal Revenue Code of 1986, as amended (the "Code"), (or any successor provision), then the Compensatory Payments shall be reduced so that the sum of all of the Compensatory Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code (or any successor provision); provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Compensatory Payments were not subject to such reduction. In such event, the Compensatory Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Compensatory Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (i) cash payments not subject to Section 409A of the Code; (ii) cash payments subject to Section 409A of the Code; (iii) equity-based payments and acceleration; and (iv) non-cash forms of benefits; provided that in the case of all the foregoing Compensatory Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(b) For purposes of this Section 6, the "After Tax Amount" means the amount of the Compensatory Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Compensatory Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(c) The determination as to whether a reduction in the Compensatory Payments shall be made pursuant to Section 6(a) shall be made by an accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death.

(b) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-l(h).

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Term. This Agreement shall take effect on the date first set forth above and shall terminate upon the earlier of (a) the termination of the Executive's employment with the Company for any reason other than the occurrence of a Terminating Event, or (b) the date all amounts have been paid to the Executive upon a Terminating Event pursuant to Section 4 or Section 5 hereof.

9. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

10. Notice and Date of Termination.

(a) Notice of Termination. After a Change in Control and during the term of this Agreement, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with this Section 10. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of Executive's Disability or by the Company for Cause, the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive without Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

11. No Mitigation. The Company agrees that, if the Executive's employment by the Company is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 4 or Section 5 hereof. Further, the amount of any payment provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer.

12. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Superior Court or the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

13. Integration. This Agreement constitutes the entire agreement between the parties with respect to severance pay, benefits and accelerated vesting in connection with any termination of employment, to the extent inconsistent with any prior agreements supersedes the inconsistent provisions of such prior agreements between the parties concerning such subject matter, including without limitation any provisions of any offer letter or employment agreement relating to severance pay or benefits in connection with the ending of Executive's employment relationship with the Company. In the interest of clarity, any agreement relating to confidentiality, noncompetition, nonsolicitation or assignment of inventions shall not be affected by the Agreement.

14. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after a Terminating Event but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

15. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any Section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service of by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company, or to the Company at its main office, attention of the Board of Directors.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 6 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such agreement and this Agreement, the terms of this Agreement shall govern and Executive may receive payment under this Agreement only and not both. Further, Section 4 and Section 5 of this Agreement are mutually exclusive and in no event shall Executive be entitled to payments or benefits pursuant to Section 4 and Section 5 of this Agreement.

20. Governing Law. This is a Massachusetts contract and shall be construed under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles of such Commonwealth. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

21. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

22. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

23. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

SAGE THERAPEUTICS, INC.

By: /s/ Jeffrey M. Jonas

Name: Jeffrey M. Jonas
Title: Chief Executive Officer

/s/ Anne Marie Cook

Anne Marie Cook

[Signature Page to Severance and Change in Control Agreement]

AMENDMENT TO SEVERANCE AND CHANGE IN CONTROL AGREEMENT

This Amendment to Severance and Change in Control Agreement (this "Amendment") is made as of February 15, 2023 (the "Amendment Effective Date") by and between Sage Therapeutics, Inc., a Delaware corporation (the "Company"), and Anne Marie Cook (the "Executive").

WHEREAS, the Company and the Executive previously entered into a certain Severance and Change in Control Agreement dated as of September 15, 2015 (the "Agreement"); and

WHEREAS, the Agreement contains a scrivener's error and the parties desire to amend the terms of the Agreement to clarify the intent of the parties.

NOW THEREFORE, for good and valuable mutual consideration, including, but not limited to, your continued employment and access to Company confidential information, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Agreement as follows:

1. Section 5(a) of the Agreement is hereby deleted in its entirety and replaced with the following:

   "(a) the Company shall pay to the Executive an amount equal to 12 months of the Executive's annual base salary in effect immediately prior to the Terminating Event;"

2. All other terms and conditions of the Agreement, as amended and modified, are hereby ratified, confirmed and approved. Except as set forth in this Amendment the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between the Agreement and this Amendment, the terms of this Amendment will prevail.

3. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original, but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Amendment Effective Date.

ANNE MARIE COOK

By: /s/ Anne Marie Cook
duly authorized

Print Name:

Title: Senior Vice President, General Counsel

SAGE THERAPEUTICS, INC.

By: /s/ Barry Greene
duly authorized

Print Name:

Title: Chief Executive Officer

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, Barry E. Greene, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2024 of Sage Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ Barry E. Greene

Name: Barry E. Greene
Title: Chief Executive Officer, President and Director (Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Kimi Iguchi, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2024 of Sage Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ Kimi Iguchi

Name: Kimi Iguchi
Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of Sage Therapeutics, Inc. (the "Company") for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his or her knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Barry E. Greene

Name: Barry E. Greene
Title: Chief Executive Officer, President and Director (Principal Executive Officer)
Date: April 25, 2024

/s/ Kimi Iguchi

Name: Kimi Iguchi
Title: Chief Financial Officer (Principal Financial and Accounting Officer)
Date: April 25, 2024