

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

FORM 10-Q

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

For the quarterly period ended June 30, 2026

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: 001-38599

Aquestive Therapeutics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

30 Technology Drive, Warren, NJ 07059
(908) 941-1900

82-3827296
(I.R.S. Employer Identification Number)

(Address, Zip Code and Telephone Number of Registrant's Principal Executive Offices)

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 \$0.001 per share	AQST	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

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 Securities Exchange Act of 1934.

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

The number of outstanding shares of the registrant's common stock, par value of \$0.001 per share (the "Common Stock"), as of the close of business on August 7, 2026 was 125,511,648.

AQUESTIVE THERAPEUTICS, INC.
FORM 10-Q
TABLE OF CONTENTS

	<u>Page No.</u>
PART I – FINANCIAL INFORMATION	
Item 1.	<u>Financial Statements (Unaudited)</u>
	<u>Condensed Balance Sheets as of June 30, 2026 and December 31, 2025</u>
	1
	<u>Condensed Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2026 and 2025</u>
	2
	<u>Condensed Statements of Changes in Stockholders' Deficit for the three and six months ended June 30, 2026 and 2025</u>
	3
	<u>Condensed Statements of Cash Flows for the six months ended June 30, 2026 and 2025</u>
	5
	<u>Notes to Unaudited Condensed Financial Statements</u>
	6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
	31
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>
	50
Item 4.	<u>Controls and Procedures</u>
	50
PART II – OTHER INFORMATION	
Item 1.	<u>Legal Proceedings</u>
	51
Item 1A.	<u>Risk Factors</u>
	51
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
	51
Item 3.	<u>Defaults Upon Senior Securities</u>
	51
Item 4.	<u>Mine Safety Disclosures</u>
	51
Item 5.	<u>Other Information</u>
	51
Item 6.	<u>Exhibits</u>
	52
<u>SIGNATURES</u>	53

GLOSSARY OF TERMS, ABBREVIATIONS AND ACRONYMS

The following terms, abbreviations and acronyms are used to identify frequently used terms and phrases that may be used in this report (dollar amounts in thousands):

TERM	DEFINITION
12.5% Notes	12.5% Senior Secured Notes redeemed on November 1, 2023
13.5% Notes	13.5% Senior Secured Notes redeemed on May 12, 2026
2025 Underwritten Public Offering	Capital raise of gross proceeds of \$85,000
ADHD	Attention deficit hyperactivity disorder
AdrenaVerse™	Epinephrine prodrug platform currently comprised of Anaphylm™ and AQST-108
ALS	Amyotrophic lateral sclerosis
Amendment	Amendment No. 1 to the Purchase and Sale Agreement with RTW Investments LP
Anaphylm™	Anaphylm™ (dibutepinephrine) sublingual film
ANVISA	Brazilian Health Regulatory Agency
API	Active Pharmaceutical Ingredients
Aquestive	Aquestive Therapeutics, Inc.
AQST	Nasdaq ticker symbol for Aquestive Therapeutics, Inc.
ASC	Accounting Standards Codification
Assertio	Assertio Holdings, Inc.
Assertio Agreement	License Agreement between Aquestive and Otter Pharmaceuticals, LLC, a subsidiary of Assertio Holdings, Inc.
ARS	Acute Repetitive Seizures
ARO	Asset Retirement Obligation
ASU	Accounting Standards Updates
ATM facility	At-The-Market facility for the purchase of AQST Common Stock, then in effect
CEO	Chief Executive Officer
CMC	Chemistry, Manufacturing and Controls
CNS	Central Nervous System
CODM	Chief Operating Decision Maker
Commave Therapeutics	Commave Therapeutics SA
Common Stock	Common Stock, par value \$0.001 per share, of the Company
Common Stock Warrants	Warrants issued with private placement of up to \$100,000 aggregate principal of 12.5% Notes originally due 2025
Company	Aquestive Therapeutics, Inc.
Cosette	Cosette Pharmaceuticals, Inc.
Credit Agreement	Credit Agreement with funds managed by Oaktree Capital Management, L.P.
CRL	Complete Response Letter
CROs	Contract Research Organizations
DEA	Drug Enforcement Administration
Effective Date	May 12, 2026, effective date of the Credit Agreement
EMA	European Medicines Agency
EOP2	End-of-phase 2
EPS	Earnings per share
ERTC	Employee Retention Tax Credit
ESPP	Employee Stock Purchase Plan
EU	European Union
Exchange Act	Securities Exchange Act of 1934
Existing Warrants	Common Stock Purchase Warrants with the holder of the remaining 5,000,000 warrants
FASB	Financial Accounting Standards Board

FDA	U.S. Food and Drug Administration
First Amendment	First amendment to the Sunovion License Agreement
GAAP	Generally Accepted Accounting Principles
HCP	Healthcare Provider
HF	Human Factors
Hypera	Hypera Pharma, CosMed Industria De Cosmeticos E Medicamentos S.A
IM	Intramuscular
IND	Investigational New Drug
Indenture Agreement	Agreement governing the 13.5% Senior Secured Notes
Indivior	Indivior Inc. (formerly, Reckitt Benckiser Pharmaceuticals Inc)
Indivior Amendment	Amendment No. 11 to the Indivior License Agreement
Indivior License Agreement	Commercial Exploitation Agreement with Reckitt Benckiser Pharmaceuticals, Inc. (with subsequent amendments collectively)
Lenders	Oaktree Fund Administration, LLC and Oaktree Capital Management, L.P.
Libervant®	Libervant® (diazepam) buccal film
Marathon	Marathon Asset Management
MHRA	Medicines & Healthcare products Regulatory Agency
MDL	Multidistrict Litigation
Monetization Agreement	Purchase and Sale Agreement between Aquestive and Marathon
Minimum Net Sales Covenant	Minimum net sales covenant if the Company draws from Tranche B of the Credit Agreement
Neurelis	Neurelis, Inc.
N/M	Not Meaningful, used in percentage changes
Nasdaq	The Nasdaq Global Market
NDA	New Drug Application
New Warrants	Warrants to purchase 2,750,000 shares of Common Stock
Oaktree	Oaktree Capital Management, L.P.
Oaktree Warrant Issuance Agreement	Warrant Issuance Agreement with Oaktree Capital Management, L.P.
Orphan Drug Act	21 U.S.C. §§ 360aa–360ff (i.e., 21 U.S.C. § 360aa et seq.)
ODE	Orphan Drug Exclusivity
PD	Pharmacodynamics
PDUFA	Prescription Drug User Fee Act
Pharmanovia	Atnahs Pharma UK Limited, a company registered in England and Wales
Pharmanovia Agreement	License and Supply Agreement with Atnahs Pharma UK Limited
Pharmanovia Amendment	First Amendment to the License and Supply Agreement with Atnahs Pharma UK Limited as of March 27, 2023
Pharmanovia Amendment No. 2	Second Amendment to the License and Supply Agreement with Atnahs Pharma UK Limited as of April 20, 2026
PIP	Pediatric Investigation Plan
PK	Pharmacokinetic
PTO	United States Patent and Trademark Office
Purchase Agreement	Purchase and Sale Agreement with funds managed by RTW Investments LP
Purchaser	RTW Investments LP
R&D	Research and development
Royalty Obligations	Liability related to the Royalty Rights Agreements
Royalty Rights Agreements	Royalty Rights Agreements, component of 13.5% Senior Secured Notes
RSU	Restricted Stock Unit
RTW	RTW Investments, LP

SEC	Securities and Exchange Commission
Securities Purchase Agreements	Securities Purchase Agreements with certain purchasers entered into on June 6, 2022
SOFR	Secured Overnight Financing Rate
Sunovion	Sunovion Pharmaceuticals Inc.
Sunovion License Agreement	KYNMOBI Commercialization Agreement
Term Loan Facility	Senior secured term loan facility of up to \$150,000
Territory	Certain countries of the European Union, the United Kingdom, Switzerland, Norway and the Middle East and North Africa under the Pharmanovia Agreement
TGA	Australian Government Department of Health's Therapeutics Goods Administration
Tranche A Tranche B Tranche C	Initial funded tranche of \$55,000 of the Term Loan Facility \$25,000 principal amount, component of the Credit Agreement \$50,000 principal amount, component of the Credit Agreement
Tranche A Warrants	Warrants to purchase up to an aggregate of 230,271 shares of the Company's Common Stock at an exercise price of \$4.18 per share.
Tranche B	\$20,000 principal amount, component of the Credit Agreement
Warrant Issuance Agreement	Agreement with RTW Investments LP to issue a warrant to purchase up to 375,000 shares of the Company's Common Stock at an exercise price of \$4.00 per share
Zambon	Zambon S.p.A.
Zevra	Zevra Therapeutics, Inc. (formerly KemPharm, Inc.)

PART I – FINANCIAL INFORMATION
Item 1. FINANCIAL STATEMENTS (Unaudited)

AQUESTIVE THERAPEUTICS, INC.
Condensed Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 98,490	\$ 121,169
Trade and other receivables, net	9,326	17,763
Inventories	7,366	6,169
Prepaid expenses and other current assets	3,312	4,168
Total current assets	118,494	149,269
Property and equipment, net	3,960	3,893
Right-of-use assets, net	7,949	4,621
Other non-current assets	1,701	2,642
Total assets	<u>\$ 132,104</u>	<u>\$ 160,425</u>
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	\$ 8,965	\$ 29,862
Accrued expenses	4,518	5,029
Lease liabilities, current	820	631
Deferred revenue, current	1,092	1,092
Liability related to the sale of future revenue, current	1,000	1,000
Royalty obligations, current	51	—
Debt, current	32	9,994
Total current liabilities	16,478	47,608
Debt, long-term, net	50,654	27,519
Royalty obligations, net	27,835	25,941
Liability related to the sale of future revenue, net	61,168	62,023
Lease liabilities	7,525	4,337
Deferred revenue, net of current portion	18,845	19,390
Other non-current liabilities	6,185	7,269
Total liabilities	188,690	194,087
Contingencies (Note 20)		
Stockholders' deficit:		
Common Stock, \$0.001 par value. Authorized 250,000,000 shares; 125,511,648 and 122,044,299 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	126	122
Additional paid-in capital	421,207	413,214
Accumulated deficit	(477,919)	(446,998)
Total stockholders' deficit	(56,586)	(33,662)
Total liabilities and stockholders' deficit	<u>\$ 132,104</u>	<u>\$ 160,425</u>

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Condensed Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	\$ 13,819	\$ 10,003	\$ 28,265	\$ 18,723
Costs and expenses:				
Manufacture and supply	4,017	4,561	7,486	8,213
Research and development	3,962	4,105	8,166	9,466
Selling, general and administrative	14,063	12,705	25,040	31,777
Total costs and expenses	22,042	21,371	40,692	49,456
Loss from operations	(8,223)	(11,368)	(12,427)	(30,733)
Other income/(expenses):				
Loss on extinguishment of debt	(11,683)	—	(11,683)	—
Interest expense	(2,807)	(2,781)	(5,710)	(5,563)
Interest expense related to royalty obligations	(972)	(1,434)	(1,945)	(2,871)
Interest expense related to the sale of future revenue	(61)	(61)	(121)	(120)
Interest income and other income, net	882	2,096	965	2,809
Net loss before income taxes	(22,864)	(13,548)	(30,921)	(36,478)
Net loss	\$ (22,864)	\$ (13,548)	\$ (30,921)	\$ (36,478)
Comprehensive loss	\$ (22,864)	\$ (13,548)	\$ (30,921)	\$ (36,478)
Loss per share attributable to common stockholders:				
Basic and diluted (in dollars per share)	\$ (0.18)	\$ (0.14)	\$ (0.25)	\$ (0.37)
Weighted average common shares outstanding:				
Basic and diluted (in shares)	124,994,165	99,326,701	123,808,666	97,422,458

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Condensed Statements of Changes in Stockholders' Deficit
Three and Six Months Ended June 30, 2026
(In thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance at December 31, 2025	122,044,299	\$ 122	\$ 413,214	\$ (446,998)	\$ (33,662)
Common Stock issued under public equity offering-ATM	1,191,071	1	5,061	—	5,062
Costs of Common Stock issued under public equity offering-ATM	—	—	(303)	—	(303)
Warrants issued under the Purchase Agreement	—	—	916	—	916
Share-based compensation expense	—	—	2,318	—	2,318
Vested restricted stock units, net	1,048,422	1	(330)	—	(329)
Options exercised, net	750	—	1	—	1
Net loss	—	—	—	(8,057)	(8,057)
Balance at March 31, 2026	124,284,542	124	420,877	(455,055)	(34,054)
Costs of Common Stock issued under public equity offering-ATM	—	—	(79)	—	(79)
Warrants issued under the Credit Agreement	—	—	663	—	663
Shares issued under employee stock purchase plan	19,660	—	82	—	82
Share-based compensation expense	—	—	2,880	—	2,880
Vested restricted stock units, net	1,172,446	2	(3,243)	—	(3,241)
Options exercised, net	35,000	—	27	—	27
Net loss	—	—	—	(22,864)	(22,864)
Balance at June 30, 2026	125,511,648	\$ 126	\$ 421,207	\$ (477,919)	\$ (56,586)

AQUESTIVE THERAPEUTICS, INC.
Condensed Statements of Changes in Stockholders' Deficit
Three and Six Months Ended June 30, 2025
(In thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance at December 31, 2024	91,413,742	\$ 91	\$ 302,967	\$ (363,214)	\$ (60,156)
Common Stock issued under public equity offering-ATM	7,457,627	8	21,992	—	22,000
Costs of Common Stock issued under public equity offering-ATM	—	—	(729)	—	(729)
Share-based compensation expense	—	—	1,587	—	1,587
Vested restricted stock units, net	445,784	—	(702)	—	(702)
Net loss	—	—	—	(22,930)	(22,930)
Balance at March 31, 2025	99,317,153	99	325,115	(386,144)	(60,930)
Costs of Common Stock issued under public equity offering-ATM	—	—	(34)	—	(34)
Shares issued under employee stock purchase plan	18,056	—	59	—	59
Share-based compensation expense	—	—	1,875	—	1,875
Vested restricted stock units, net	10,561	—	(19)	—	(19)
Options exercised, net	7,500	—	7	—	7
Net loss	—	—	—	(13,548)	(13,548)
Balance at June 30, 2025	<u>99,353,270</u>	<u>\$ 99</u>	<u>\$ 327,003</u>	<u>\$ (399,692)</u>	<u>\$ (72,590)</u>

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Condensed Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2026	2025
Operating activities:		
Net loss	\$ (30,921)	\$ (36,478)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation, amortization, and impairment	249	279
Share-based compensation	5,213	3,471
Loss on extinguishment of debt	11,683	—
Issuance of warrants under the Purchase Agreement	916	—
Amortization of debt issuance costs and discounts	4,053	5,498
Other, net	49	(11)
Changes in operating assets and liabilities:		
Trade and other receivables, net	8,437	(4,476)
Inventories	(1,190)	(2,081)
Prepaid expenses and other assets	1,796	3,104
Accounts payable	(21,400)	1,582
Accrued expenses and other liabilities	(2,587)	(2,176)
Deferred revenue	(545)	(26)
Net cash used for operating activities	(24,247)	(31,314)
Investing activities:		
Capital expenditures	(264)	(242)
Net cash used for investing activities	(264)	(242)
Financing activities:		
Proceeds from Common Stock issued under public equity offering-ATM, net	4,680	21,236
Proceeds from issuance of long-term debt under the Credit Agreement	54,337	—
Proceeds from issuance of warrants under the Credit Agreement	663	—
Proceeds from shares issued under employee stock purchase plan	70	50
Proceeds from exercise of stock options, net	27	7
Repayment of debt principal - 13.5% Notes	(45,000)	—
Debt exit fee paid - 13.5% Notes	(2,000)	—
Premium paid to retire debt - 13.5% Notes	(3,887)	—
Payments for financing costs	(3,470)	—
Payments for lease liabilities	(18)	(14)
Payments for royalty obligations	—	(11)
Payments for taxes on share-based compensation, net	(3,570)	(722)
Net cash provided by financing activities	1,832	20,546
Net decrease in cash and cash equivalents	(22,679)	(11,010)
Cash and cash equivalents:		
Cash and cash equivalents at beginning of period	121,169	71,546
Cash and cash equivalents at end of period	<u>\$ 98,490</u>	<u>\$ 60,536</u>
Supplemental disclosures of cash flow information:		
Cash payments for interest	\$ 2,269	\$ 3,050
Non-cash investing activities: capital expenditures in Accounts Payable	\$ 43	\$ 83
Non-cash financing activities: Term Loan Facility costs in Accounts Payable	\$ 461	\$ —

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Notes to Condensed Financial Statements
(In thousands, except share and per share amounts) (Unaudited)

Note 1. Company Overview and Basis of Presentation

(A) Company Overview

Aquestive is a pharmaceutical company advancing medicines to bring meaningful improvement to patients' lives through innovative science and delivery technologies. The worldwide leader in delivering trusted, quality medications on oral film, Aquestive operates as both a developer of its own proprietary products and a Contract Development and Manufacturing Organization (CDMO) for licensees, with its headquarters in New Jersey and U.S.-based manufacturing facilities in Indiana. The Company is the exclusive manufacturer of four commercialized products marketed by its licensees across six continents using proprietary, best-in-class technologies like PharmFilm®. Aquestive's AdrenaVerse™ platform contains a library of more than 20 epinephrine prodrugs enabling the pursuit of various potential allergy and dermatological indications. The Company is advancing Anaphylm™ (dibutepinephrine) sublingual film for the treatment of severe allergic reactions, including anaphylaxis, and AQST-108 (epinephrine) topical gel for various potential dermatological conditions.

(B) Equity Transactions

ATM Facility

The Company established its first ATM facility in September 2019, and since inception to June 30, 2026, the Company has sold 28,506,216 shares of Common Stock under its ATM facility which has generated net cash proceeds of approximately \$86,518, net of commissions and estimated other transactions costs of \$4,188. On April 3, 2024, the Company filed a new shelf registration statement on Form S-3, the 2024 Registration Statement, which was declared effective by the SEC on April 23, 2024. Included as part of the 2024 Registration Statement are (i) a base prospectus registering the offer, issuance and sale of up to \$250,000 worth of Common Stock, preferred stock, debt securities, warrants, rights and units and (ii) a \$100,000 ATM facility prospectus. During the three months ended June 30, 2026, there were no shares of Common Stock sold under the ATM facility. During the six months ended June 30, 2026, the Company sold 1,191,071 shares of Common Stock pursuant to the ATM prospectus and the Amended Equity Distribution Agreement with Piper Sandler & Co. (successor to Piper Jaffray & Co.), which provided net proceeds of approximately \$4,765 after deducting commissions and estimated other transaction costs of \$297. During the three months ended June 30, 2025, there were no shares of Common Stock sold under the ATM facility. For the six months ended June 30, 2025, the Company sold 7,457,627 shares under the ATM facility, which provided net proceeds of approximately \$21,271 after deducting commissions and other transaction costs of \$729. The remaining authorized balance of the ATM facility was approximately \$73,000 as of June 30, 2026.

2025 Underwritten Public Offering

On August 14, 2025, the Company completed the 2025 Underwritten Public Offering of 21,250,000 shares of its Common Stock at the public offering price of \$4.00 per share. Net proceeds from the 2025 Underwritten Public Offering were \$79,900, after deducting underwriting discounts of \$5,100. In addition to the underwriting discounts related to this offering, the Company incurred professional fees and other costs totaling \$440.

(C) Basis of Presentation

The accompanying interim condensed financial statements were prepared in conformity with U.S. GAAP and with Article 10 of Regulation S-X for interim financial reporting. In compliance with those rules, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed financial statements should be read in conjunction with the Company's audited financial statements and related notes for the fiscal year ended December 31, 2025 included in the Company's Annual Report on Form 10-K filed with the SEC on March 4, 2026 (the "2025 Annual Report on Form 10-K"). As included herein, the Condensed Balance Sheet as of December 31, 2025 is derived from the audited financial statements as of that date. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the results of interim periods have been included. The accompanying condensed financial statements reflect certain reclassifications from previously issued financial statements to conform to the current presentation. The Company has evaluated subsequent events for disclosure through the date of issuance of the accompanying condensed financial statements.

Any reference in the Notes to applicable guidance refers to the authoritative U.S. GAAP as found in the ASC and ASU of FASB.

Note 2. Summary of Significant Accounting Policies**Recent Accounting Pronouncements**

From time to time, new accounting pronouncements are issued by the FASB and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

Recent Accounting Pronouncements Adopted as of June 30, 2026:

In December 2023, the FASB issued ASU 2023-09—*Income Taxes (Topic 740)—Improvements to Income Tax Disclosures*. The ASU modifies the effective tax rate reconciliation table and requires disaggregation of income taxes. The Company adopted ASU 2023-09 for the year ending December 31, 2025 and added the required disclosures on a prospective basis.

Recent Accounting Pronouncements Not Adopted as of June 30, 2026:

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Statements of Operations, and Comprehensive Loss as well as qualitatively describe the remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company's definition of selling expenses. These disclosure requirements will be effective for the Company for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact from the adoption of ASU 2024-03 on disclosures to its financial statements.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software* to provide clarification and improvements to the accounting for internal-use software costs under ASC 350-40, Intangibles – Goodwill and Other – Internal-Use Software. The guidance includes amendments related to capitalization of implementation costs, subsequent measurement, and related presentation and disclosure requirements. This ASU will be effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact this ASU will have on its financial statements and related disclosures.

Note 3. Risks and Uncertainties

The Company assesses liquidity in terms of its ability to generate cash to fund its operating, investing and financing activities. The Company's cash requirements for the remainder of 2026 and beyond include expenses related to continuing development and clinical evaluation of its products, manufacture and supply costs, costs of regulatory filings, patent prosecution expenses and litigation expenses, expenses related to commercialization of its products, as well as costs to comply with the requirements of being a public company operating in a highly regulated industry. As of June 30, 2026, the Company had \$98,490 of cash and cash equivalents.

The Company has experienced a history of net losses. The Company's accumulated deficits totaled \$477,919 as of June 30, 2026. The net losses and accumulated deficits were partially offset by gross margins from sales of commercialized licensed and proprietary products, license fees, milestone and royalty payments from commercial licensees and co-development parties. The Company's funding requirements have been met by its cash and cash equivalents, as well as its equity and debt offerings, including the issuance of the Term Loan Facility in May 2026 as further discussed in Note 13, *Long-Term Debt*, the ATM facility and other equity offerings, including the 2025 Underwritten Public Offering as discussed in Note 1, *Company Overview and Basis of Presentation*, Part B, *Equity Transactions*.

While the Company's ability to execute its business objectives and achieve profitability over the longer term cannot be assured, the Company's on-going business, existing cash and cash equivalents, expense management activities including, but not limited to, the ceasing of certain R&D activities, as well as access to the equity capital markets through its ATM facility, provide near term liquidity for the Company to fund its operating needs for at least the next twelve months as it continues to execute its business strategy.

Note 4. Segment Reporting

Operating segments are defined as components of an entity for which separate discrete financial information is available for evaluation by the CODM in deciding how to allocate resources and in assessing performance. For the six months ended June 30, 2026 and 2025, the Company has identified one operating and reportable segment. The Company defines its operating segment based on internally reported financial information that is regularly reviewed by the CODM to analyze financial performance, make decisions, and allocate resources. The Company's CEO is the CODM. The Company manages its operations as a single segment for purposes of assessing performance and making operating decisions. This segment encompasses the development and advancement of a product pipeline for the treatment of severe allergic reactions, including anaphylaxis, and the AdrenaVerse epinephrine prodrug pipeline platform. Additionally, the Company served as the exclusive manufacturer for its proprietary product, Libervant, while it had U.S. market access, and four licensed commercialized products.

The CODM reviews the segment's profit or loss based on net loss reported on the Condensed Statements of Operations and Comprehensive Loss. The CODM also considers forecast-to-actual variances on a monthly basis for expenses deemed significant. Furthermore, the CODM reviews the segment's assets based on total assets reported on the Condensed Balance Sheets. All long-lived assets are held in the United States. While the Company generated \$13,819 and \$10,003 in revenues for the three months ended June 30, 2026 and 2025, respectively, and \$28,265 and \$18,723 for the six months ended June 30, 2026 and 2025, respectively, management expects the Company to continue to incur significant expenses and operating losses for the foreseeable future as it advances product candidates through all stages of development and clinical trials, ultimately seeking regulatory approval and commencing commercialization activities for Anaphylm, if approved by the FDA. The CODM uses cash forecast models to guide investment decisions and assess entity-wide operating results and performance. Net loss is used to monitor budget and rolling forecasts versus actual results. The CODM views specific categories within R&D expenses, selling expenses, and general and administrative expenses as significant due to their direct correlation with cash burn and profitability.

The following table reconciles reported revenues to net loss under the significant expense principle for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	\$ 13,819	\$ 10,003	\$ 28,265	\$ 18,723
Costs and expenses:				
Total Manufacture and Supply Expenses	4,017	4,561	7,486	8,213
R&D Project expenses:				
Anaphylm project expenses	1,055	1,204	2,140	3,692
AQST-108 project expenses	152	190	710	385
R&D other expenses:				
Personnel costs ₁	2,181	2,218	4,423	4,350
Other ₂	574	493	893	1,039
Total Research and Development Expenses	3,962	4,105	8,166	9,466
Selling expenses:				
Personnel costs ₃	1,730	608	3,374	1,302
Other ₄	444	2,912	721	5,174
Total Selling expenses	2,174	3,520	4,095	6,476
General & Administrative expenses:				
Personnel costs ₅	6,602	5,176	12,111	10,016
Other ₆	5,287	4,009	8,834	15,285
Total General and Administrative Expenses	11,889	9,185	20,945	25,301
Total Selling, General and Administrative Expenses	14,063	12,705	25,040	31,777
Total costs and expenses	22,042	21,371	40,692	49,456
Loss from operations	(8,223)	(11,368)	(12,427)	(30,733)
Other income/(expenses), net	(14,641)	(2,180)	(18,494)	(5,745)
Net loss before income taxes	(22,864)	(13,548)	(30,921)	(36,478)
Net loss	\$ (22,864)	\$ (13,548)	\$ (30,921)	\$ (36,478)
Comprehensive loss	\$ (22,864)	\$ (13,548)	\$ (30,921)	\$ (36,478)

1 - R&D Personnel costs include payroll expenses, share-based compensation expenses and severance

2 - Other R&D expenses include preclinical, consulting, maintenance, and testing fees

3 - Selling Personnel costs include payroll expenses, share-based compensation expenses and severance

4 - Other Selling expenses include commercialization and other related expenses

5 - G&A Personnel costs include payroll expenses, share-based compensation expenses and severance

6 - Other General and Administrative expenses include legal/patent fees, insurance fees, IT expenses, investor relations expenses, regulatory fees, facility and other costs

Note 5. Revenues and Trade Receivables, Net

The Company's revenues include (i) sales of manufactured products pursuant to contracts with commercialization licensees, (ii) license and royalty revenues, (iii) co-development and research fees generally in the form of milestone payments, and (iv) sales of its proprietary CNS product, Libervant, for patients between two to five years of age while Libervant had U.S. market access through April 2025. The Company recognizes revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve this core principle, a five-step model is applied that includes (1) identifying the contract with a

customer, (2) identifying the performance obligation in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing when, or as, an entity satisfies a performance obligation.

Performance Obligations - a performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the current revenue recognition standard. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. At contract inception, the Company assesses the goods promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a distinct good. When identifying performance obligations, the Company considers all goods or services promised in a contract regardless of whether explicitly stated in the contract or implied by customary business practice. The Company's performance obligations consist mainly of transferring goods and services identified in the contracts, purchase orders, invoices or statements of work.

Manufacture and supply revenue – this revenue is derived from products manufactured exclusively for specific customers according to their strictly-defined specifications, subject only to specified quality control inspections. Accordingly, at the point in time when quality control requirements are satisfied, revenue net of related discounts is recorded.

License and Royalty Revenue – license revenues are determined based on an assessment of whether the license is distinct from any other performance obligations that may be included in the underlying licensing arrangement. If the customer is able to benefit from the license without provision of any other performance obligations by the Company and the license is thereby viewed as a distinct or functional license, the Company then determines whether the customer has acquired a right to use the license or a right to access the license. For functional licenses that do not require further development or other ongoing activities by the Company, the customer is viewed as acquiring the right to use the license as, and when, transferred and revenues are generally recorded at a point in time, subject to contingencies or constraints. For symbolic licenses providing substantial value only in conjunction with other performance obligations to be provided by the Company, revenues are generally recorded over the term of the license agreement. Such other obligations provided by the Company generally include manufactured products, additional development services or other deliverables that are contracted to be provided during the license term. Payments received in excess of amounts ratably or otherwise earned are deferred and recognized over the term of the license or as contingencies or other performance obligations are met.

Royalty revenue is estimated and recognized when sales under supply agreements with commercial licensees are recorded, absent any contractual constraints or collectability uncertainties. Royalties based on sales of licensed products have been recorded in this manner.

Revenue recognition arising from milestone payments is dependent upon the facts and circumstances surrounding the milestone payments. Milestone payments based on a non-sales metric such as a development-based milestone (*i.e.*, an NDA filing or obtaining regulatory approval) represent variable consideration and are included in the transaction price subject to any constraints. If the milestone payments relate to future development, the timing of recognition depends upon historical experience and the significance a third party has on the outcome. For milestone payments to be received upon the achievement of a sales threshold, the revenue from the milestone payments is recognized at the later of when the actual sales occur or the performance obligation to which the sales relate to has been satisfied.

Co-development and Research Fees – co-development and research fees are earned through performance of specific tasks, activities or completion of stages of development defined within a contractual development or feasibility study agreement with a customer. The nature of these performance obligations, broadly referred to as milestones or deliverables, are usually dependent on the scope and structure of the project as contracted, as well as the complexity of the product and the specific regulatory approval path necessary for that product. Accordingly, the duration of the Company's R&D projects may range from several months to approximately three years. Although each contractual arrangement is unique, common milestones included in these arrangements include those for the performance of efficacy and other tests, reports of findings, formulation of initial prototypes, production of stability clinical and/or scale-up batches, and stability testing of those batches. Additional milestones may be established and linked to clinical results of the product submission and/or approval of the product by the FDA and the commercial launch of the product.

Proprietary product revenue, net - this net revenue is recognized when product is shipped and title passes to the customer, typically at time of delivery. At the time of sale, estimates for various revenue allowances are recorded based on historical trends and judgmental estimates. For sales of Libervant for patients between two to five years of age while Libervant had U.S. market access through April 2025, returns allowances and prompt pay discounts are estimated based on contract terms and historical return rates, if available, and these estimates are recorded as a reduction of receivables. Once receivables are collected, allowances are reclassified and treated as accrued liabilities. Similarly determined estimates are recorded relating to wholesaler service fees, co-pay support redemptions, and other rebates, and these estimates are reflected as a component of accrued liabilities. Once related variable considerations are resolved and uncertainties as to incurred amounts are eliminated, estimates are adjusted to actual allowance amounts. Provisions for these estimated amounts are reviewed and adjusted on no less than a quarterly basis.

Contract Assets - in certain situations, customer contractual payment terms provide for invoicing in arrears. Accordingly, some, or all performance obligations may be completely satisfied before the customer may be invoiced under such agreements. In these situations, billing occurs after revenue recognition, which results in a contract asset supported by the estimated value of the completed portion of the performance obligation. These contract assets are reflected as a component of other receivables within Trade and other receivables within the Condensed Balance Sheets. As of June 30, 2026, and December 31, 2025, such contract assets were \$494 and \$627, respectively, consisting primarily of products and services provided under specific contracts to customers for which earnings processes have been met prior to shipment of goods or full delivery of completed services, as well as estimated receivables from contracts with third parties.

Contract Liabilities - in certain situations, customer contractual payment terms are structured to permit invoicing in advance of delivery of a good or service. In such instances, the customer's cash payment may be received before satisfaction of some, or any, performance obligations that are specified. In these situations, billing occurs in advance of revenue recognition, which results in contract liabilities. These contract liabilities are reflected as deferred revenue within the Condensed Balance Sheets. As remaining performance obligations are satisfied, an appropriate portion of the deferred revenue balance is credited to earnings. As of June 30, 2026 and December 31, 2025, such contract liabilities were \$19,937 and \$20,482, respectively.

Costs to Obtain Contracts - in certain situations, the Company may incur incremental costs of obtaining a contract with a customer. These costs, if expected to be recovered, are recognized as an asset and reflected as other assets within the Condensed Balance Sheets. The asset is amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. As of June 30, 2026 and December 31, 2025, such costs to obtain contracts were \$434 and \$449, respectively.

The Company's revenues were comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Manufacture and supply revenue	\$ 11,911	\$ 9,583	\$ 20,704	\$ 16,776
License and royalty revenue ^(a)	1,326	839	6,721	1,629
Co-development and research fees	582	378	840	796
Proprietary product revenue, net	—	(797)	—	(478)
Total revenues	\$ 13,819	\$ 10,003	\$ 28,265	\$ 18,723

(a) Zevra-related royalty revenues of \$500 and \$5,000 were recognized during the three and six months ended June 30, 2026, respectively. For additional information, see Note 6, Material Agreements.

The following table provides disaggregated net revenue by geographic area:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
United States	\$ 10,991	\$ 4,891	\$ 24,236	\$ 10,092
Ex-United States	2,828	5,112	4,029	8,631
Total revenues	\$ 13,819	\$ 10,003	\$ 28,265	\$ 18,723

For the three months ended June 30, 2026, United States revenues were derived primarily from Indivior (manufacture and supply revenue, and co-development and research fees). Ex-United States revenues were derived primarily from Indivior (manufacture and supply revenue, license and royalty revenue and co-development and research fees) and Hypera (manufacture and supply revenue, and license and royalty revenue) for revenue markets outside of the United States.

For the six months ended June 30, 2026, United States revenues were derived primarily from Indivior (manufacture and supply revenue, and co-development and research fees), Zevra (license and royalty revenue), and Assertio (manufacture and supply revenue, license and royalty revenue and co-development and research fees). Ex-United States revenues were derived primarily from Indivior (manufacture and supply revenue, license and royalty revenue and co-development and research fees), Zambon (manufacture and supply revenue, license and royalty revenue, and co-development and research fees) and Hypera (manufacture and supply revenue, and license and royalty revenue) for revenue markets outside of the United States.

For the three months ended June 30, 2025, United States revenues were derived primarily from Indivior (manufacture and supply revenue, and co-development and research fees). Ex-United States revenues were derived primarily from Hypera

(manufacture and supply revenue, and license and royalty revenue), and Indivior (manufacture and supply revenue, license and royalty revenue and co-development and research fees) for revenue markets outside of the United States.

For the six months ended June 30, 2025, United States revenues were derived primarily from Indivior (manufacture and supply revenue, and co-development and research fees), and Assertio (manufacture and supply revenue, license and royalty revenue and co-development and research fees). Ex-United States revenues were derived primarily from Hypera (manufacture and supply revenue, and license and royalty revenue), and Indivior (manufacture and supply revenue, license and royalty revenue and co-development and research fees) for revenue markets outside of the United States.

Trade and other receivables, net consist of the following:

	June 30, 2026	December 31, 2025
Trade receivables	\$ 7,718	\$ 8,013
Contract and other receivables	1,608	9,750
Less: sales-related allowances	—	(582)
Reclassification into Accrued distribution expenses and sales-related allowances	—	582
Trade and other receivables, net	<u>\$ 9,326</u>	<u>\$ 17,763</u>

Contract and other receivables totaled \$1,608 and \$9,750 as of June 30, 2026 and December 31, 2025, respectively, consisting primarily of contract assets and other receivables. Contract assets consist of products and services provided under specific contracts to customers for which earnings processes have been met prior to shipment of goods or full delivery of completed services, as well as estimated receivables from contracts with third parties. Other receivables include the current portion related to the Monetization royalty receivable and other receivables. As of December 31, 2025, other receivables also include an insurance reimbursement. Sales-related allowances as of December 31, 2025 were estimated in relation to revenues recognized for sales of Libervant for patients between two to five years of age while Libervant had U.S. market access.

Allowance for Credit Losses

The Company maintains an allowance for credit losses on accounts receivable, which is recorded as a reduction to accounts receivable. Changes in the allowance are classified as Selling, general and administrative expenses in the Statements of Operations and Comprehensive Loss. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when it identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status. It also considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. On an ongoing basis, management evaluates the adequacy of these reserves. The allowance for credit losses was \$0 as of June 30, 2026 and December 31, 2025.

Sales-Related Allowances

Revenues from sales of products are recorded net of prompt payment discounts, wholesaler service fees, returns allowances, chargebacks, rebates and co-pay support redemptions. These reserves are based on estimates of the amounts earned or to be claimed on the related sales. These amounts are treated as variable consideration, estimated and recognized as a reduction of the transaction price at the time of the sale. The Company includes these estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transaction will not occur, or when the uncertainty associated with the variable consideration is resolved. The calculation of some of these items requires management to make estimates based on sales data, historical return data, contracts and other related information that may become known in the future. The adequacy of these provisions is reviewed on no less than a quarterly basis.

The following tables provide a summary of activity with respect to sales-related allowances:

	June 30, 2026	December 31, 2025
Balance at beginning of period	\$ —	\$ 48
Provision	—	568
Payments / credits	—	(34)
Reclassification into Accrued distribution expenses and sales-related allowances	—	(582)
Balance at end of period	<u>\$ —</u>	<u>\$ —</u>

Accruals for returns allowances and prompt pay discounts are reflected as a direct reduction of trade receivables as of December 31, 2025 and accruals for wholesaler service fees, co-pay support redemptions and other rebates are reflected as

current liabilities. The accrued balances relative to these provisions included in Trade and other receivables, net and accrued expenses were \$0 and \$899, respectively, as of June 30, 2026, and \$0 and \$906, respectively, as of December 31, 2025. See Note 12, *Accrued Expenses*.

Concentration of Major Customers

Customers are considered major customers when net revenue exceeds 10% of total revenue for the period or outstanding receivable balances exceed 10% of total receivables. For the six months ended June 30, 2026, Indivior and Zevra, represented approximately 70% and 18%, of total revenue, respectively. As of June 30, 2026, Indivior exceeded the 10% threshold for outstanding receivable balances and represented approximately 84% of total trade and other receivables, respectively. For the six months ended June 30, 2025, Indivior and Hypera exceeded the 10% threshold for revenue and represented approximately 67% and 23% of total revenue, including the one-time recognition of deferred revenue, respectively. As of December 31, 2025, Indivior and Hypera exceeded the 10% threshold for outstanding receivable balances and represented 69% and 25% of total trade and other receivables, respectively.

Note 6. Material Agreements

Credit Agreement with Oaktree Capital Management, L.P.

On May 12, 2026, the Company entered into the Credit Agreement with funds managed by Oaktree Capital Management, L.P., which provided a Term Loan Facility of up to \$150,000. The Term Loan Facility includes an initial funded Tranche A of \$55,000 and additional delayed draw term loan commitments of up to \$95,000, which are available subject to the satisfaction of specified conditions. Amounts repaid under the Term Loan Facility may not be reborrowed. The Term Loan Facility matures on May 12, 2031 and does not require principal installment payments. Accordingly, the total outstanding principal balance is payable at maturity. The obligations under the Credit Agreement are secured by a first-priority lien on substantially all of the Company's assets, including intellectual property, subject to customary exceptions. See Note 13, *Long-Term Debt* for additional information.

On May 12, 2026, in connection with the Credit Agreement with Oaktree, the Company also entered into the Oaktree Warrant Issuance Agreement. Pursuant to this agreement, the Company issued to Oaktree the Tranche A Warrant to purchase up to an aggregate of 230,271 shares of the Company's Common Stock at an exercise price of \$4.18 per share. The Tranche A Warrant is exercisable at any time from the issuance date through May 12, 2031. Pursuant to the Oaktree Warrant Issuance Agreement, the Company will be obligated to issue additional warrants if additional tranches are drawn down under the Term Loan Facility. See Note 14, *Warrants* for additional information.

Purchase and Sale Agreement with RTW Investments, L.P.

On August 13, 2025, the Company entered into the Purchase Agreement with funds managed by RTW Investments LP. Under the terms of the Purchase Agreement, in exchange for the Purchaser's payment to the Company of a purchase price of \$75,000, upon approval of Anaphylm by the FDA by a specified date, the refinancing of the Company's existing 13.5% Notes and certain other customary conditions (the "Closing Conditions"), the Company agreed to a sale of assigned interests to the Purchaser, including a right for the Purchaser to tiered revenue share payments ranging from 1.0% to 7.5% of net sales (as defined in the Purchase Agreement) of Anaphylm (and 9.5% for the subsequent calendar year period if net sales do not achieve specified level in a calendar year period beginning in 2027) in the United States. Revenue share payments commence in the first fiscal quarter in which the first commercial sale of Anaphylm in the United States after the satisfaction of the Closing Conditions. Revenue share payments will cease upon the Purchaser's receipt of \$187,500 by December 31, 2035 or \$225,000 thereafter. The Purchase Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict the Company's ability to, among other things, incur indebtedness (which restrictions are eliminated after the achievement by the Purchaser of a specified return on its investment), and other provisions customary for transactions of this nature, in each case subject to certain exceptions set forth in the Purchase Agreement. As this financing is contingent on events that have not occurred yet and are outside of the Company's control, the accounting consequences for this transaction as of June 30, 2026 and December 31, 2025 have been limited to capitalized legal fees of approximately \$752 and \$700, respectively, recorded within Other current assets on the Condensed Balance Sheets.

On March 3, 2026, the Company entered into the Amendment No. 1 to the Purchase Agreement. The Amendment extends the Marketing Approval Deadline from its original date in the Purchase Agreement to June 30, 2027. Concurrently, the Company entered into a Warrant Issuance Agreement with funds managed by RTW, pursuant to which the Company agreed to issue a warrant to purchase up to 375,000 shares of the Company's Common Stock at an exercise price of \$4.00 per share, expiring on March 3, 2029. For information regarding the RTW Warrants, see Note 14, *Warrants*. On March 3, 2026, the Company also entered into a Share Purchase Commitment Agreement with certain RTW-affiliated funds, pursuant to which such funds committed to purchase, in the aggregate, not less than \$5,000 of Common Stock during the 90-day period following the effective date of the Amendment, at prices determined in accordance with Rule 415(a)(4) under the Securities Act.

Commercial Exploitation Agreement with Indivior

In August 2008, the Company entered into the Indivior License Agreement (with subsequent amendments) with Reckitt Benckiser Pharmaceuticals, Inc. who was later succeeded to in interest by Indivior. Pursuant to the Indivior License Agreement, the Company agreed to manufacture and supply Indivior's requirements for Suboxone[®], a sublingual film formulation, both inside and outside the United States on an exclusive basis.

Under the terms of the Indivior License Agreement, the Company is required to manufacture Suboxone in accordance with current Good Manufacturing Practice standards and according to the specifications and processes set forth in the related quality agreements the Company entered into with Indivior. Additionally, the Company is required to obtain API for the manufacture of Suboxone directly from Indivior. The Indivior License Agreement specifies a minimum annual threshold quantity of Suboxone that the Company is obligated to fill and requires Indivior to provide the Company with a forecast of its requirements at various specified times throughout the year. The Indivior License Agreement provides for payment by Indivior of an agreed upon purchase price per unit until January 1, 2025 and, thereafter, that is subject to annual adjustments based on changes in an agreed upon price index. In addition to the purchase price for the Suboxone supplied, Indivior is required to make certain single digit percentage royalty payments tied to net sales value (as provided for in the Indivior License Agreement) outside of the U.S., subject to annual maximum amounts and limited to the life of the related patents.

The Indivior License Agreement contains customary contractual termination provisions, including with respect to a filing for bankruptcy or corporate dissolution, an invalidation of the intellectual property surrounding Suboxone, and commission of a material breach of the Indivior License Agreement by either party. Additionally, Indivior may terminate the Indivior License Agreement if the FDA or other applicable regulatory authority declares the Company's manufacturing site to no longer be suitable for the manufacture of Suboxone or Suboxone is no longer suitable to be manufactured due to health or safety reasons. The initial term of the Indivior License Agreement was seven years from the commencement date. Thereafter, the Indivior License Agreement automatically renewed for successive one-year periods.

Effective as of March 2, 2023, the Company and Indivior entered into the Indivior Amendment to the Indivior License Agreement. The Indivior Amendment was entered into for the primary purpose of amending the Agreement as follows: (i) extending the term of the Agreement until August 16, 2026 and thereafter providing for automatic renewal terms of successive one-year periods unless Indivior delivers notice to the Company, at least twelve months prior to the expiration of the then current term, of Indivior's intent not to renew, subject to the earlier termination rights of the parties under the Agreement, and providing that the Agreement will not automatically renew for any renewal term beginning after the expiration of the last to expire of the product patents covered under the Indivior License Agreement; and (ii) agreeing to transfer pricing and payment terms for supplied product under the Indivior License Agreement.

License Agreement with Sunovion Pharmaceuticals, Inc.

On April 1, 2016, the Company entered into a license agreement with Cynapsus Therapeutics Inc. (which was later succeeded to in interest by Sunovion), referred to as the Sunovion License Agreement, pursuant to which Sunovion obtained an exclusive, worldwide license (with the right to sub-license) to certain intellectual property, including existing and future patents and patent applications, covering all oral films containing apomorphine for the treatment of off episodes in Parkinson's disease patients. Sunovion used this intellectual property to develop its apomorphine product KYNMOBI[®], which was approved by the FDA on May 21, 2020. This approval triggered Sunovion's obligation to remit a payment of \$4,000, due on the earlier of: (a) the first day of product availability at a pharmacy in the United States; or (b) within six months of FDA approval of the product. This amount was received as of September 30, 2020 and was included in License and royalty revenues for the twelve months ended December 31, 2020.

Effective March 16, 2020, the Company entered into the First Amendment. The First Amendment was entered into for the primary purpose of amending the Sunovion License Agreement as follows: (i) including the United Kingdom and any other country currently in the EU which later withdraws as a member country in the EU for purpose of determining the satisfaction of the condition triggering the obligation to pay the third milestone due under the Sunovion License Agreement, (ii) extending the date after which Sunovion has the right to terminate the Sunovion License Agreement for convenience from December 31, 2024 to March 31, 2028, (iii) modifying the effective inception date of the first minimum annual royalty due from Sunovion to the Company from January 1, 2020 to April 1, 2020, and (iv) modifying the termination provision to reflect the Company's

waiver of the right to terminate the Sunovion License Agreement in the event that KYNMOBI was not commercialized by January 1, 2020. This Sunovion License Agreement will continue until terminated by Sunovion in accordance with the termination provisions of the First Amendment. The Sunovion License Agreement continues (on a country-by-country basis) until the expiration of all applicable licensed patents unless earlier terminated under the termination provisions contained therein. Upon termination of the Sunovion License Agreement, all rights to intellectual property granted to Sunovion to develop and commercialize apomorphine-based products will revert to the Company.

On October 23, 2020, the Company amended the Sunovion License Agreement to clarify the parties' agreement with respect to certain provisions in the Sunovion License Agreement, specifically the date after which Sunovion has the right to terminate the Sunovion License Agreement and the rights and obligations of the parties regarding the prosecution and maintenance of the Company's patents covered under the Sunovion License Agreement.

In consideration of the rights granted to Sunovion under the Sunovion License Agreement, the Company received aggregate payments totaling \$22,000 to date. In addition to the upfront payment of \$5,000, the Company has also earned an aggregate of \$17,000 in connection with specified regulatory and development milestones in the United States and Europe (the "Initial Milestone Payments"), all of which have been received to date. With the Monetization Agreement (defined below) entered into on November 3, 2020 relating to KYNMOBI as described in the paragraph below, the Company is no longer entitled to receive any payments under the Sunovion License Agreement.

Purchase and Sale Agreement with an affiliate of Marathon

On November 3, 2020, the Company entered into the Monetization Agreement with Marathon. Under the terms of the Monetization Agreement, the Company sold to Marathon all of its contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI. In exchange for the sale of these rights, the Company received an upfront payment from Marathon of \$40,000 and an additional payment of \$10,000 through the achievement of the first milestone. The Company has received an aggregate amount of \$50,000 through June 30, 2026 under the Monetization Agreement.

Under the Monetization Agreement, additional contingent payments of up to \$75,000 may be due to the Company upon the achievement of worldwide royalty and other commercial targets within a specified timeframe, which could result in total potential proceeds of \$125,000. In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets; therefore, the Company likely will not receive any of the additional contingent payments under the Monetization Agreement. See Note 15, *Sale of Future Revenue* for further details on the accounting for the Monetization Agreement.

Agreement to Terminate CLA with Zevra Therapeutics, Inc. (formerly KemPharm)

In March 2012, the Company entered into an agreement with Zevra to terminate a Collaboration and License Agreement entered into by the Company and Zevra in April 2011. Under this termination arrangement, the Company has the right to participate in any and all value that Zevra may derive from the commercialization or any other monetization of KP-415 and KP-484 compounds or their derivatives. Among these monetization transactions are those related to any business combinations involving Zevra and collaborations, royalty arrangements, or other transactions from which Zevra may realize value from these compounds, including the product Azstarys®. In March 2026, Zevra sold Azstarys to Commave Therapeutics SA. In accordance with the Company's agreement with Zevra, the Company received a payment out of the proceeds of the Zevra Commave agreement and recognized royalty revenues of \$5,000 during the six months ended June 30, 2026.

Licensing and Supply Agreement with Atnahs Pharma UK Limited (Pharmanovia)

The Company entered into the Pharmanovia Agreement, effective as of September 26, 2022, pursuant to which the Company granted Pharmanovia an exclusive license to certain of the Company's intellectual property to develop and commercialize Libervant® (diazepam) buccal film for the treatment of prolonged or acute, convulsive seizures in all ages in the Territory during the term of the Pharmanovia Agreement. Under the Pharmanovia Agreement, Pharmanovia will lead the regulatory and commercialization activities for Libervant in the Territory and the Company will serve as the exclusive sole manufacturer and supplier of Libervant in the Territory. Pursuant to the Pharmanovia Agreement, the Company received \$3,500 upon agreement execution and, upon the occurrence of certain conditions set forth in the Pharmanovia Agreement, will receive additional milestone payments and profit shares, as well as manufacturing fees and royalty fees through the expiration of the Pharmanovia Agreement.

Effective March 27, 2023, the Company amended the Pharmanovia Agreement to expand the scope of territory for the license of Libervant to cover the rest of the world, excluding the U.S., Canada and China. Under the Pharmanovia Amendment, Pharmanovia will be responsible for seeking applicable regulatory approval in the expanded territories, which include Latin America, Africa and Asia Pacific. Pursuant to the terms of the Pharmanovia Amendment, the Company received a non-refundable payment of \$2,000 from Pharmanovia in connection with the execution of the Pharmanovia Amendment.

On April 20, 2026, the Company entered into a second amendment to the Pharmanovia Agreement relating to the license and supply of Libervant (diazepam) buccal film in territories outside the United States. The Pharmanovia Amendment No. 2 modifies certain commercial and operational terms of the agreement, including subcontracting rights, delivery terms, and minimum volume commitments in certain territories. All other terms and conditions of the Pharmanovia Agreement remain in full force and effect.

Licensing Agreement with Assertio Holdings, Inc. (as assumed by Cosette Pharmaceuticals, Inc.)

Effective as of October 26, 2022, the Company entered into the Assertio Agreement to license Sympazan® (clobazam) oral film for the adjunctive treatment of seizures associated with Lennox-Gastaut syndrome in patients aged two years of age and older. Under the terms of the Assertio Agreement, the Company granted to Assertio an exclusive, worldwide license of its intellectual property for Sympazan to Assertio during the term of the Assertio Agreement for an upfront payment of \$9,000. In addition, Aquestive received a \$6,000 milestone payment subsequent to Aquestive's receipt of a notice of allowance from the PTO of the Company's patent application U.S. Serial No. 16/561,573, and payment by the Company of the related allowance fee. The Company received the notice of allowance from the PTO and paid the related allowance fee on October 27, 2022. Further, under the Assertio Agreement, the Company will receive royalties from Assertio for the sale of the product through the expiration of the Assertio Agreement. The Company also entered into a long-term supply agreement with Assertio for Sympazan pursuant to which the Company is the exclusive sole worldwide manufacturer and supplier of the product and will receive manufacturing fees from Assertio for the product through the expiration of such supply agreement.

On April 8, 2026, Assertio entered into an Asset Purchase Agreement with Cosette, a United States-based, branded specialty pharmaceutical company, to divest a portfolio of products, including Sympazan, to Cosette. Under that Asset Purchase Agreement, Assertio assigned and transferred its rights and certain obligations arising post closing to Cosette. Cosette assumed the intellectual property license and rights to commercialize Sympazan and will continue to purchase product and pay royalties and milestones to Aquestive under the Assertio Agreement and the Company's long-term supply agreement with Assertio.

Note 7. Financial Instruments – Fair Value Measurements

Certain assets and liabilities are reported on a recurring basis at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 — Observable quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable prices that are based on inputs not quoted on active markets but corroborated by market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity, such as pricing models, discounted cash flow methodologies and similar techniques.

The carrying amounts reported in the Condensed Balance Sheets for Trade and other receivables, prepaid and other current assets, accounts payable and accrued expenses, and deferred revenue approximate their fair values based on the short-term maturity of these assets and liabilities.

In June 2022, the Company issued pre-funded warrants to purchase up to 4,000,000 shares of Common Stock and Common Stock Warrants to purchase up to 8,850,000 shares of Common Stock in connection with its Securities Purchase Agreements with certain purchasers. Those warrants were valued based on Level 3 inputs and their fair value was based primarily on an independent third-party appraisal prepared as of the grant date consistent with generally accepted valuation methods of the Uniform Standards of Professional Appraisal Practice, the American Society of Appraisers and the American Institute of Certified Public Accountants' Accounting and Valuation Guide. See Note 14, *Warrants* for further information on these warrants.

On August 1, 2023, the Company entered into the Letter Agreement with the Exercising Holder of the remaining warrants to purchase 5,000,000 of the shares of Common Stock. Pursuant to the Letter Agreement, the Exercising Holder and the Company agreed that the Exercising Holder would exercise all of its Existing Warrants for shares of Common Stock underlying the Existing Warrants at \$0.96 per share of Common Stock, the current exercise price of the Existing Warrants. Under the Letter Agreement, in consideration of the Exercising Holder exercising the Existing Warrants, the Company issued to the Exercising Holder new warrants to purchase up to an aggregate of 2,750,000 shares of new warrants at \$2.60 per share. Those warrants were valued based on Level 3 inputs and their fair value was based primarily on an independent third-party appraisal prepared as of the grant date consistent with generally accepted valuation methods of the Uniform Standards of Professional Appraisal Practice, the American Society of Appraisers and the American Institute of Certified Public Accountants' Accounting and Valuation Guide. See Note 14, *Warrants* for further information on these warrants.

On November 1, 2023, in connection with the issuance of the 13.5% Notes, the Company and the Note Holders (as defined below) entered into the Royalty Right Agreements dated as of November 1, 2023, which provides the Note Holders:

- a. a tiered royalty between 1.0% and 2.0% of annual worldwide net sales of Anaphylm™ (dibutepinephrine) sublingual film for a period of eight years from the first sale of Anaphylm on a global basis, and
- b. a tiered royalty between 1.0% to 2.0% of annual worldwide net sales of Libervant® (diazepam) buccal film until the earlier of (1) the first sale of Anaphylm and (2) eight years from the first sale of Libervant.

Those Royalty Agreements were valued based on Level 3 inputs and their fair value was based primarily on internal management estimates developed based on third-party data and reflect management's judgment, current market conditions, and forecasts. The initial fair value measurement of the Royalty Right Agreements was determined based on significant unobservable inputs, including the discount rate, estimated probabilities of success, and the estimated amount of future sales of Anaphylm and Libervant. See Note 13, *Long-Term Debt* for further discussion.

On March 3, 2026, in connection with Amendment No.1 to the Purchase and Sale Agreement and the Equity Commitment Agreement with RTW, the Company also entered into the Warrant Issuance Agreement with the RTW investors. Pursuant to this agreement, the Company issued to the RTW Investors the RTW Warrant to purchase up to an aggregate of 375,000 shares of the Company's Common Stock. The RTW Warrant entitles the holders to purchase shares of Common Stock at an exercise price of \$4.00 per share. Management estimated the fair value of the RTW Warrants to be \$916, and it is presented within Additional Paid-in Capital on the Condensed Balance Sheets as of June 30, 2026, and within Interest income and other income, net on the Condensed Statements of Operations and Comprehensive Loss for the six months ended June 30, 2026. The RTW Warrants were valued based on Level 3 inputs and their fair value was based primarily on an independent third-party appraisal prepared as of the grant date consistent with generally accepted valuation methods of the Uniform Standards of Professional Appraisal Practice, the American Society of Appraisers and the American Institute of Certified Public Accountants' Accounting and Valuation Guide. See Note 14, *Warrants* for further information on these warrants.

On May 12, 2026, in connection with the Credit Agreement with Oaktree, the Company also entered into the Oaktree Warrant Issuance Agreement. Pursuant to this agreement, the Company issued to Oaktree the Tranche A Warrant to purchase up to an aggregate of 230,271 shares of the Company's Common Stock at an exercise price of \$4.18 per share. The Tranche A Warrant is exercisable at any time from the issuance date through May 12, 2031. Management estimated the fair value of the Tranche A Warrants to be \$663, and it is presented within Additional Paid-in Capital and the debt discount related to the Term Loan Facility on the Condensed Balance Sheets as of June 30, 2026. The Tranche A Warrants were valued based on Level 3 inputs and their fair value was based primarily on an independent third-party appraisal prepared as of the grant date consistent with generally accepted valuation methods of the Uniform Standards of Professional Appraisal Practice, the American Society of Appraisers and the American Institute of Certified Public Accountants' Accounting and Valuation Guide. See Note 14, *Warrants* for further information on these warrants.

Note 8. Inventories, Net

The components of Inventory are as follows:

	June 30, 2026	December 31, 2025
Raw material	\$ 4,205	\$ 3,143
Packaging material	2,530	2,362
Finished goods	631	664
Total inventory	<u>\$ 7,366</u>	<u>\$ 6,169</u>

Note 9. Property and Equipment, Net

	Useful Lives	June 30, 2026	December 31, 2025
Machinery	3-15 years	\$ 22,517	\$ 20,383
Furniture and fixtures	3-15 years	769	769
Leasehold improvements ^(a)	(a)	21,419	21,419
Computer, network equipment and software	3-7 years	3,140	3,140
Construction in progress ^(b)		376	2,203
		48,221	47,914
Less: accumulated depreciation and amortization		(44,261)	(44,021)
Total property and equipment, net		<u>\$ 3,960</u>	<u>\$ 3,893</u>

- (a) Leasehold improvements are amortized over the shorter of the lease term or their estimated useful lives.
- (b) During the three months ended June 30, 2026, construction in progress decreased due to a new packaging assembly line been placed into service within the Machinery caption above.

For the three months ended June 30, 2026 and 2025, total depreciation and amortization related to property and equipment was \$136 and \$140, respectively. For the six months ended June 30, 2026 and 2025, these expenses totaled \$249 and \$279, respectively.

Note 10. Right-of-Use Assets and Lease Obligations

On May 8, 2026, the Company entered into a lease agreement which will serve as the Company's corporate headquarters. The lease has an initial term of eleven years, inclusive of an initial rent abatement period of approximately twelve months, commencing on the earlier of the date the Company obtains a certificate of occupancy or September 1, 2026. The lease provides the Company with two successive five-year renewal options at fair market rental value and an option to expand into additional space. The Company accounted for the lease as an operating lease in accordance with ASC 842, *Leases*. The Company established at commencement a \$3,658 right-of-use asset and a corresponding lease liability for this lease on the Condensed Balance Sheets.

The Company leases all realty used at its production and warehouse facilities, corporate headquarters, commercialization operations center and research and laboratory facilities. None of these four leases include the characteristics specified in ASC 842, *Leases*, which require classification as financing leases and, accordingly, these leases are accounted for as operating leases. These leases, as amended, provide remaining terms between 1.8 years and 15.9 years, including renewal options expected to be exercised to extend the lease periods. Commitments under finance leases are not significant, and are included in Property and equipment, net, and Debt on the Condensed Balance Sheets.

The Company does not recognize a right-of-use asset and lease liability for short-term leases, which have terms of 12 months or less on its Condensed Balance Sheets. For longer-term lease arrangements that are recognized on the Company's Condensed Balance Sheets, the right-of-use asset and lease liability is initially measured at the commencement date based upon the present value of the lease payments due under the lease. These payments represent the combination of the fixed lease and fixed non-lease components that are due under the arrangement. The costs associated with the Company's short-term leases, as well as variable costs relating to the Company's lease arrangements, are not material to the Company's financial results.

The implicit interest rates of the Company's lease arrangements are generally not readily determinable and as such, the Company applies an incremental borrowing rate, which is established based upon the information available at the lease commencement date, to determine the present value of lease payments due under an arrangement. Measurement of the operating lease liability reflects a range of an estimated discount rate of 12.3% to 15.6% applied to minimum lease payments, including expected renewals, based on the incremental borrowing rate experienced in the Company's collateralized debt refinancing.

The Company's lease costs are recorded in manufacture and supply, R&D and selling, general and administrative expenses in its Condensed Statements of Operations and Comprehensive Loss. For the three and six months ended June 30, 2026, total operating lease expenses totaled \$558 and \$1,006, respectively, including variable lease expenses such as common area maintenance and operating costs of \$140 and \$254, respectively. For the three and six months ended June 30, 2025, total operating lease expenses totaled \$457 and \$884, respectively including variable lease expenses such as common area maintenance and operating costs of \$124 and \$217, respectively.

The Company's payments due under its operating leases are as follows:

Remainder of 2026	\$	662
2027		1,668
2028		1,738
2029		1,568
2030 and thereafter		10,603
Total future lease payments		16,239
Less: imputed interest		(7,894)
Total operating lease liabilities	\$	8,345

Note 11. Other Non-current Assets

The following table provides the components of other non-current assets:

	June 30, 2026	December 31, 2025
Royalty receivable	\$ 1,000	\$ 2,000
Other	701	642
Total other non-current assets	<u>\$ 1,701</u>	<u>\$ 2,642</u>

During the second quarter of 2020, under the Sunovion License Agreement, the Company recognized \$8,000 of royalty revenue and corresponding royalty receivable, related to the eight \$1,000 annual minimum guaranteed royalty payments that are due to the Company. In connection with the Monetization Agreement, the Company performed an assessment under ASC 860, *Transfer and Servicing* to determine whether the existing receivable was transferred to Marathon and concluded it was not transferred. As of June 30, 2026 and December 31, 2025, Royalty receivable consists of two and three, respectively, annual minimum payments due from Sunovion, the last of which is due in March 2028. The current portion of the royalty receivable is included in Trade and other receivables, net. See Note 15, *Sale of Future Revenue* for further details on how this receivable relates to the Monetization Agreement transaction.

Non-current portion of costs to obtain contracts capitalized under ASC 340, *Other Assets and Deferred Costs*, is recorded within Other non-current assets on the Condensed Balance Sheets as of June 30, 2026 and December 31, 2025.

Note 12. Accrued Expenses

Accrued expenses consisted of the following:

	June 30, 2026	December 31, 2025
Accrued compensation	\$ 3,222	\$ 3,707
Real estate and personal property taxes	328	349
Accrued distribution expenses and sales returns provision	899	906
Interest payable	16	17
Other	53	50
Total accrued expenses	<u>\$ 4,518</u>	<u>\$ 5,029</u>

The reduction in Accrued compensation is mostly related to payments of accrued bonuses during the six months ended June 30, 2026, partially offset by the current year accrual of bonuses and an increase in accrued severance expenses. Accrued distribution expenses and sales returns provision mostly represent estimated liabilities for returns, wholesaler service fees, co-pay support redemptions and other rebates related to the proprietary product Libervant and returns and other expenses related to the proprietary product Sympazan (prior to outlicensing to Assertio in October 2022). See Note 6, *Material Agreements* for additional information regarding the Asset Purchase Agreement between Assertio and Cosette.

Note 13. Long-Term Debt
13.5% Senior Secured Notes

On November 1, 2023, the Company entered into an Indenture Agreement with certain institutional investors (the “Note Holders”) and issued \$45,000 aggregate principal amount of its 13.5% Notes. The Company received net proceeds of approximately \$4,326 from this transaction after the repayment of the Company's 12.5% Notes and deduction of debt discount, and debt issuance costs.

The 13.5% Notes were senior secured obligations of the Company and were set to mature on November 1, 2028. The 13.5% Notes bore interest at a fixed rate of 13.5% per year, payable quarterly commencing on December 30, 2023. On each payment date commencing on June 30, 2026, the Company was to pay an installment of principal of the 13.5% Notes pursuant to a fixed amortization schedule, along with the applicable exit fee. The exit fee totaled \$2,000.

On May 12, 2026, the Company issued the Term Loan Facility and used the proceeds from the issuance to repay the outstanding principal balance under the 13.5% Notes of \$45,000, and \$2,000 exit fee. The Company also incurred a prepayment penalty of \$3,825 equal to 108.5% of the principal amount due to the timing of the redemption, and other transaction expenses. The Company recognized a loss on extinguishment of debt of \$11,683 on the Condensed Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2026.

Royalty Right Agreements

In connection with the issuance of 13.5% Notes, the Company and the Note Holders entered into the Royalty Right Agreements dated as of November 1, 2023, which provides Note Holders:

- a. a tiered royalty between 1.0% and 2.0% of annual worldwide net sales of Anaphylm™ (dibutepinephrine) sublingual film for a period of eight years from the first sale of Anaphylm on a global basis, and
- b. a tiered royalty between 1.0% to 2.0% of annual worldwide net sales of Libervant® (diazepam) buccal film until the earlier of (1) the first sale of Anaphylm and (2) eight years from the first sale of Libervant.

Both the 13.5% Notes and Royalty Right Agreements, represent freestanding instruments which were issued in conjunction with each other. They are classified as debt within the scope of ASC 470, *Debt* and are subsequently measured on an amortized cost basis.

The initial fair value measurement of the Royalty Right Agreements was determined based on significant unobservable inputs, including the discount rate, estimated probabilities of success, and the estimated amount of future sales of Anaphylm and Libervant. These inputs are derived using internal management estimates developed based on third-party data and reflect management's judgment, current market conditions, and forecasts.

The Royalty Right Agreements' fair value is estimated by applying probability-weighted cash flows for future sales, which are then discounted to present value. Changes to fair value of the Royalty Rights Agreements can result from changes to one or a number of the aforementioned inputs. A significant change in unobservable inputs could result in a material increase or decrease to the effective interest rate of the Royalty Right Agreements liability.

The following table summarizes the significant unobservable inputs used in the fair value measurement of the Royalty Right Agreements:

	Valuation Methodology	Significant Unobservable Input	Weighted Average (range, if applicable)
Royalty Right Agreements	Probability weighted income approach	Discount Rate	15%
		Probability of Success	95%
		Projected Years of Payments	2027 - 2035

During the six months ended June 30, 2026, there were no changes to the significant unobservable inputs used to recognize the Royalty Right Agreements liability. During the year ended December 31, 2025, the Company updated the probability-weighted cash flows for future sales, which decreased the royalty obligation to \$51,886 and decreased the unamortized discount to \$25,945. The effective interest rate changed by 2.64%, and the Company updated the projected years of payments to 2035.

Since the Royalty Right Agreements were issued in connection with the 13.5% Notes, the Company allocated the proceeds to the two instruments based on their relative fair values. The Company allocated approximately \$13,856 to the Royalty Right Agreements. The Company determined the allocated fair value by calculating the present value of estimated future royalties to be paid to Note Holders over the life of the arrangement.

The excess of future estimated royalty payments over the allocated fair value is recognized as a discount related to the Royalty Right Agreements and is amortized as interest expense using the effective interest method.

The allocated amounts of \$13,856 when combined with the exit fee of \$2,000, original issue discount of \$1,125 and debt issuance costs of \$3,517, resulted in the 13.5% Notes discount of \$20,498. This debt discount was amortized over the term of 13.5% Notes using the effective interest method.

The Royalty Right Agreements remained outstanding as of June 30, 2026 after the redemption of the 13.5% Notes.

Amortization expense arising from the discounts related to the 13.5% Notes prior to redemption for the three and six months ended June 30, 2026 was \$580 and \$1,834, respectively. Amortization expense arising from the discounts related to the Royalty Right Agreements for the three and six months ended June 30, 2026 was \$972 and \$1,945, respectively.

Amortization expense arising from the discounts related to the 13.5% Notes for the three and six months ended June 30, 2025 was \$1,254 and \$2,508, respectively. Amortization expense arising from the discounts related to the Royalty Right Agreements for the three and six months ended June 30, 2025 was \$1,434 and \$2,871, respectively.

Unamortized discounts totaled \$24,000 for the Royalty obligations as of June 30, 2026. Unamortized discounts totaled \$7,630 for the 13.5% Notes and \$25,945 for the Royalty obligations as of December 31, 2025, respectively.

Term Loan Facility

On May 12, 2026, the Company entered into the Credit Agreement with funds managed by Oaktree Capital Management, L.P., which provided a Term Loan Facility of up to \$150,000. The Term Loan Facility includes an initial funded Tranche A of \$55,000 and additional delayed draw term loan commitments of up to \$95,000, which are available subject to the satisfaction of specified conditions. Amounts repaid under the Term Loan Facility may not be reborrowed. The Term Loan Facility matures on May 12, 2031 and does not require principal installment payments. Accordingly, the total outstanding principal balance is payable at maturity. The obligations under the Credit Agreement are secured by a first-priority lien on substantially all of the Company's assets, including intellectual property, subject to customary exceptions.

On May 12, 2026, in connection with the Credit Agreement with Oaktree, the Company also entered into the Oaktree Warrant Issuance Agreement. Pursuant to this agreement, the Company issued to Oaktree, the Tranche A Warrant to purchase up to an aggregate of 230,271 shares of the Company's Common Stock at an exercise price of \$4.18 per share. The Warrant is exercisable at any time from the issuance date through May 12, 2031. Management estimated the fair value of the Tranche A Warrants to be \$663. Pursuant to the Oaktree Warrant Issuance Agreement, the Company will be obligated to issue additional warrants if additional tranches are drawn down under the Term Loan Facility. See Note 14, *Warrants* for additional information.

As the Term Loan Facility and the Tranche A Warrants were issued in conjunction with the Credit Agreement, the total proceeds of \$55,000 have been allocated on the Statements of Cashflows for the six months ended June 30, 2026 among the two financial instruments.

Borrowings under the Credit Agreement accrue interest at a floating rate equal to three-month SOFR, subject to a floor of 2.75%, plus an applicable margin of 6.25%, which decreases to 6.00% upon the potential funding of Tranche B. Interest is payable quarterly in arrears. Subject to certain conditions, a portion of the interest, not to exceed 2.00% per annum, may be paid in kind for an initial period. In the event of default, the interest rate is increased by 2.00% per annum.

Upon any repayment including at maturity, upon acceleration or by prepayment, the Company shall pay an exit fee to Oaktree ranging from 1.00% to 2.00% depending on the date of the repayment. The exit fee is subject to a reduction specified in the Credit Agreement (i) if the Company achieves a specified net sales milestone by June 30, 2029 or if a payment is mandatory as a result of the Company failing to receive FDA Approval by December 31, 2027, or (ii) if the applicable repayment is made in connection with a change of control on or prior to the second anniversary of the Credit Agreement. The maximum exit fee totals \$1,100.

The Company may voluntarily prepay the Term Loan Facility in full or in part subject to certain conditions. Provided that the Company pays on the date of such prepayment (a) all outstanding principal to be prepaid plus accrued and unpaid interest, (b) a yield protection premium, which, (i) prior to and including the first anniversary of the Effective Date, includes a make-whole fee (as calculated in the Credit Agreement) with respect to the interest that would have accrued on the aggregate principal amount of the Term Loans so prepaid up to (but not including) the first anniversary of the Effective Date and (ii) after the first anniversary of the Effective Date, a premium ranging from 5.00% to 1.00% depending on the date of such repayment. The Prepayment Premium is subject to a reduction specified in the Credit Agreement (x) if the Company achieves a specified net sales milestone by June 30, 2029 or if a payment is mandatory as a result of the Company failing to receive FDA Approval by December 31, 2027 or (y) if the applicable prepayment is made in connection with a change of control on or prior to the second anniversary of the Effective Date. The Prepayment Premium shall be 0% if paid after the fourth anniversary of the Effective Date.

The Company is required to maintain a minimum amount of unrestricted cash and/or permitted cash equivalent investments in controlled accounts, as set forth in the Credit Agreement., which amount lowers after the funding of the Tranche B Term Loans and if FDA approval is not received by December 31, 2027. In addition, the Company is required to achieve a minimum amount of net sales, which is applicable only if the Company draws from the Tranche B Term Loan. The Minimum Net Sales Covenant is not tested if the Company maintains specified cash levels or if it achieves a specified market capitalization.

At inception the estimated debt discount of the Term Loan Facility totaled \$4,594, which includes the exit fee related to the Term Loan Facility, fair value of the Tranche A Warrants, and other estimated transaction expenses. The debt discount is presented as a direct deduction from the carrying amount of the Term Loan Facility and is amortized to interest expense over the term of the agreement using the effective interest method.

Amortization expense arising from the discounts related to the Term Loan Facility was \$153 for the three and six months ended June 30, 2026. There was no amortization expense arising from the discounts related to the Term Loan Facility for the three and six months ended June 30, 2025. Unamortized discounts totaled \$4,441 for the Term Loan Facility as of June 30, 2026.

Long-term debt and unamortized debt discount balances are as follows:

	June 30, 2026	December 31, 2025
Total Outstanding Debt	\$ 55,000	\$ 45,000
Unamortized discount, including exit fee	(4,441)	(7,630)
Debt, current	—	(9,964)
Debt, long-term	50,559	27,406
Finance lease	95	113
Debt, long-term, net	<u>\$ 50,654</u>	<u>\$ 27,519</u>

Royalty obligations and unamortized discount balances are as follows:

	June 30, 2026	December 31, 2025
Total Royalty obligations	\$ 51,886	\$ 51,886
Unamortized discount	(24,000)	(25,945)
Current portion of royalty obligation	(51)	—
Royalty obligations, long term	<u>\$ 27,835</u>	<u>\$ 25,941</u>

Scheduled principal payments on the Term Loan Facility as of June 30, 2026 are as follows:

2031	\$ 55,000
Total	<u>\$ 55,000</u>

Note 14. Warrants

Warrants Issued to Oaktree Capital Management, L.P.

On May 12, 2026, in connection with the Credit Agreement with Oaktree, the Company also entered into the Oaktree Warrant Issuance Agreement. Pursuant to this agreement, the Company issued to Oaktree, the Tranche A Warrant to purchase up to an aggregate of 230,271 shares of the Company's Common Stock at an exercise price of \$4.18 per share. The Tranche A Warrant is exercisable at any time from the issuance date through May 12, 2031. Management estimated the fair value of the Tranche A Warrants to be \$663, based on an assessment by an independent third-party appraiser. The fair value was estimated using the Black-Scholes pricing model, which utilized the Company's historical stock price to measure volatility and a holding period of five years based on the time period between the valuation date and the termination date as defined in the Credit Agreement. The fair value of the Tranche A Warrants is presented within Additional Paid-in Capital and the debt discount related to the Term Loan Facility on the Condensed Balance Sheets as of June 30, 2026. There were no warrants exercised as it relates to the Tranche A Warrants during the six months ended June 30, 2026. Pursuant to the Oaktree Warrant Issuance Agreement, the Company will be obligated to issue additional warrants if additional tranches are drawn down under the Term Loan Facility. See Note 13, *Long-Term Debt* for additional information regarding the Term Loan Facility.

Warrants Issued to RTW Investments

On March 3, 2026, in connection with the Amendment No. 1 to the Purchase and Sale Agreement and the Equity Commitment Agreement with RTW, the Company also entered into the Warrant Issuance Agreement with the RTW investors. Pursuant to this agreement, the Company issued to the RTW Investors the RTW Warrant to purchase up to an aggregate of 375,000 shares of the Company's Common Stock. The RTW Warrant entitles the holders to purchase shares of Common Stock at an exercise price of \$4.00 per share. The Warrant is exercisable at any time from the issuance date through March 3, 2029. Management estimated the fair value of the RTW Warrants to be \$916, based on an assessment by an independent third-party appraiser. The fair value was estimated using the Black-Scholes pricing model, which utilized the Company's historical stock price to measure volatility and a holding period of three years based on the time period between the valuation date and the termination date as defined in the Warrant Issuance Agreement. The fair value of the RTW Warrants is presented within Additional Paid-in Capital on the Condensed Balance Sheets as of June 30, 2026 and within Interest income and other income, net on the Condensed Statements of Operations and Comprehensive Loss for the six months ended June 30, 2026.

There were no warrants exercised as it relates to the RTW Warrants during the six months ended June 30, 2026.

Warrants Issued to 12.5% Senior Secured Noteholders

Warrants that were issued in conjunction with the Initial Notes (the "Initial Warrants") and Additional Notes (the "Additional Warrants") entitled the noteholders of the Company's 12.5% Notes to purchase up to 2,143,000 shares of Common Stock and included specified registration rights. Management estimated the fair value of the Initial Warrants to be \$6,800 and the Additional Warrants to be \$735, each based on an assessment by an independent third-party appraiser. The fair value of the respective warrants was treated as a debt discount, amortizable over the term of the respective warrants, with the unamortized 12.5% Notes portion applied to reduce the aggregate principal amount of the 12.5% Notes. The 12.5% Notes were refinanced with the 13.5% Notes on November 1, 2023. Additionally, since the Initial Warrants and Additional Warrants issued do not provide warrant redemption or put rights within the control of the noteholders that could require the Company to make a payment of cash or other assets to satisfy the obligations under the warrants, except in the case of a "cash change in control", the fair value attributed to the warrants is presented in Additional Paid-in Capital in the Company's Condensed Balance Sheets. The Initial Warrants and Additional Warrants expired on June 30, 2025.

There were no warrants exercised as it relates to the Initial Warrants and the Additional Warrants during the six months ended June 30, 2025.

Warrants Issued Under Securities Purchase Agreements

In June 2022, the Company issued pre-funded warrants and Common Stock warrants to certain purchasers in connection with the Securities Purchase Agreements. The pre-funded warrants entitled purchasers to purchase up to 4,000,000 shares of Common Stock and were exercised in full during the year ended December 31, 2022. The Common Stock warrants expire on June 8, 2027 and entitled the purchasers to purchase up to 8,850,000 shares of Common Stock at an exercise price of \$0.96 per share. Management estimated the fair value of the pre-funded warrants and Common Stock warrants to be \$5,874 based on an assessment by an independent third-party appraiser. The fair value of the pre-funded and Common Stock warrants is treated as equity and presented in Additional Paid-in Capital in the Company's Condensed Balance Sheets. On June 14, 2023, 3,689,452 Common Stock warrants issued pursuant to the Securities Purchase Agreements were exercised with proceeds of approximately \$3,542.

On August 1, 2023, the Company entered into the Letter Agreement with the Exercising Holder of 5,000,000 of the remaining Common Stock Warrants. Pursuant to the Letter Agreement, the Exercising Holder and the Company agreed that the Exercising Holder would exercise all of its Existing Warrants for shares of Common Stock underlying the Existing Warrants at \$0.96 per share of Common Stock, the then current exercise price of the Existing Warrants. Under the Letter Agreement, in consideration of the Exercising Holder exercising the Existing Warrants, the Company issued to the Exercising Holder New Warrants to purchase up to an aggregate of 2,750,000 shares of Common Stock. The New Warrants became exercisable after February 2, 2024, expire on February 2, 2029 and are issuable only for cash, subject to exception if the shares of Common Stock underlying the New Warrants are not registered in accordance with the terms of the Letter Agreement, in which case, the New Warrants may also be exercised, in whole or in part, at such time by means of a "cashless exercise". The New Warrants have an exercise price of \$2.60 per share. Management estimated the fair value of the warrants to be \$4,671 based on an assessment by an independent third-party appraiser. The fair value of the New Warrants is treated as equity and is presented in Additional Paid-in Capital in the Company's Condensed Balance Sheets.

There were no warrants issued or exercised as it relates to the Warrants issued under Securities Purchase Agreements during the six months ended June 30, 2026 and 2025.

As of June 30, 2026, in addition to the remaining New Warrants to purchase 2,200,000 shares of Common Stock with an exercise price of \$2.60 per share, the Tranche A Warrants to purchase 230,271 shares with an exercise price of \$4.18 per

share and the RTW Warrants to purchase 375,000 shares with an exercise price of \$4.00 per share described above, there remain outstanding warrants to purchase 160,548 shares of Common Stock at an exercise price of \$0.96.

Note 15. Sale of Future Revenue

On November 3, 2020, the Company entered into the Monetization Agreement with Marathon. Under the terms of the Monetization Agreement, the Company sold all of its contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI[®], an apomorphine film therapy for the treatment of off episodes in Parkinson's disease patients, which received approval from the FDA on May 21, 2020. In exchange for the sale of these rights, the Company received an upfront payment of \$40,000 and an additional payment of \$10,000 through the achievement of the first milestone. The Company has received an aggregate amount of \$50,000 through June 30, 2026 under the Monetization Agreement.

Under the Monetization Agreement, additional contingent payments of up to \$75,000 may be due to the Company upon the achievement of worldwide royalty and other commercial targets within a specified timeframe, which could result in total potential proceeds of \$125,000.

The Company recorded the upfront proceeds of \$40,000 and subsequent first milestone of \$10,000, reduced by \$2,909 of transaction costs, as a liability related to the sale of future revenue that will be amortized using the effective interest method over the life of the Monetization Agreement. As future contingent payments are received, they will increase the balance of the liability related to the sale of future revenue. Although the Company sold all of its rights to receive royalties and milestones, as a result of ongoing obligations related to the generation of these royalties, the Company will account for these royalties as revenue. Its ongoing obligations include the maintenance and defense of the intellectual property and to provide assistance to Marathon in executing a new license agreement for KYNMOBI in the event Sunovion terminates the Sunovion License Agreement in one or more jurisdictions of the licensed territory under the Sunovion License Agreement. The accounting liabilities, as adjusted over time, resulting from this transaction and any non-cash interest expenses associated with those liabilities do not and will not represent any obligation to pay or any potential future use of cash.

During the second quarter of 2020, under the Sunovion License Agreement, the Company recognized \$8,000 of royalty revenue and corresponding royalty receivable, related to the \$1,000 annual minimum guaranteed royalty that is due. In connection with the Monetization Agreement, the Company performed an assessment under ASC 860, *Transfer and Servicing* to determine whether the existing receivable was transferred to Marathon and concluded that the receivable was not transferred.

As royalties are remitted to Marathon from Sunovion, the collection of the royalty receivable and balance of the liability related to the sale of future revenue will be effectively repaid over the life of the agreement. In order to determine the amortization of the liability related to the sale of future revenue, the Company is required to estimate the total amount of future royalty and milestone payments to Marathon over the life of the Monetization Agreement and contingent milestone payments from Marathon to the Company. The sum of future royalty payments less the \$50,000 in proceeds received and future contingent payments has been recorded as interest expense over the life of the Monetization Agreement. At execution, the estimate of this total interest expense resulted in an effective annual interest rate of approximately 24.9%. This estimate contained significant assumptions that impact both the amount recorded at execution and the interest expense that will be recognized over the life of the Monetization Agreement. The Company assesses the estimated royalty and milestone payments to Marathon from Sunovion and contingent milestone payments from Marathon to the Company. To the extent the amount or timing of such payments is materially different from the original estimates, an adjustment will be recorded prospectively to increase or decrease interest expense. There are a number of factors that could materially affect the amount and timing of royalty and milestone payments to Marathon from Sunovion and, correspondingly, the amount of interest expense recorded by the Company, most of which are not under the Company's control. Such factors include, but are not limited to, changing standards of care, the initiation of competing products, manufacturing or other delays, generic competition, intellectual property matters, adverse events that result in government health authority imposed restrictions on the use of products, significant changes in foreign exchange rates as the royalties remitted to Marathon are made in U.S. dollars (USD) while a portion of the underlying sales of KYNMOBI will be made in currencies other than USD, and other events or circumstances that are not currently foreseen. Changes to any of these factors could result in increases or decreases to both royalty revenue and interest expense related to the sale of future revenue.

In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets. Therefore, the Company likely will not receive any of the additional contingent payments under the Monetization agreement. Further, the Company discontinued recording interest expense related to the sale of future revenue during the fourth quarter of 2022.

The following table shows the activity of the liability related to the sale of future revenue:

	June 30, 2026	December 31, 2025
Liability related to the sale of future revenue, net at beginning of the period	\$ 63,023	\$ 63,718
Royalties related to the sale of future revenue	(976)	(938)
Amortization of issuance costs	121	243
Liability related to the sale of future revenue, net at end of the period (includes current portion of \$1,000 and \$1,000, respectively)	<u>\$ 62,168</u>	<u>\$ 63,023</u>

Note 16. Other Non-Current Liabilities

The Company's other non-current liabilities at June 30, 2026 and December 31, 2025 consisted of a confidential legal settlement net liability and AROs of \$2,080 and \$2,065, respectively.

ARO's consist of estimated future spending related to removing certain leasehold improvements at the Company's facilities in Portage, Indiana and Warren, New Jersey, and returning all facilities to their original condition. Depreciation expense related to the ARO assets included in overall depreciation expense for the three and six months ended June 30, 2026 was \$8 and \$15, respectively. For the three and six months ended June 30, 2025, these expenses totaled \$7 and \$13 respectively.

Balance at December 31, 2024	\$ 2,039
Additions	—
Accretion	6
Balance at March 31, 2025	<u>2,045</u>
Additions	—
Accretion	7
Balance at June 30, 2025	<u>\$ 2,052</u>
Balance at December 31, 2025	\$ 2,065
Additions	—
Accretion	7
Balance at March 31, 2026	<u>2,072</u>
Additions	—
Accretion	8
Balance at June 30, 2026	<u>\$ 2,080</u>

Note 17. Net Loss Per Share

Basic net loss per share is calculated by dividing net loss by the weighted-average number of Common Stock.

Diluted EPS is adjusted by the effect of dilutive securities, including options and awards under the Company's equity compensation plans, warrants and ESPP. As a result of the Company's net loss incurred for the three and six months ended June 30, 2026 and 2025, all potentially dilutive instruments outstanding would have anti-dilutive effects on per-share calculations. Therefore, basic and diluted net loss per share are the same for the three and six months ended June 30, 2026 and 2025 as reflected below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net loss	\$ (22,864)	\$ (13,548)	\$ (30,921)	\$ (36,478)
Denominator:				
Weighted-average number of common shares – basic and diluted	<u>124,994,165</u>	<u>99,326,701</u>	<u>123,808,666</u>	<u>97,422,458</u>
Loss per common share – basic and diluted	<u>\$ (0.18)</u>	<u>\$ (0.14)</u>	<u>\$ (0.25)</u>	<u>\$ (0.37)</u>

- (a) For the three and six months ended June 30, 2026 and 2025, outstanding stock options of 7,844,729 and 7,186,867 to purchase shares of Common Stock, respectively, were anti-dilutive.
- (b) For the three and six months ended June 30, 2026 and 2025, outstanding restricted stock units of 3,271,940 and 5,156,701 to purchase shares of Common Stock, respectively, were anti-dilutive.
- (c) For the three and six months ended June 30, 2026 and 2025, outstanding warrants of 2,965,819 and 2,910,548 to purchase shares of Common Stock, respectively, were anti-dilutive.

Note 18. Share-Based Compensation

The Company recognized share-based compensation in its Condensed Statements of Operations and Comprehensive Loss during the three and six months ended June 30, 2026 and 2025 as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Manufacture and supply	\$ 66	\$ 128	\$ 135	\$ 228
Research and development	313	408	549	738
Selling, general and administrative	2,516	1,348	4,529	2,505
Total share-based compensation expenses	<u>\$ 2,895</u>	<u>\$ 1,884</u>	<u>\$ 5,213</u>	<u>\$ 3,471</u>
Share-based compensation from:				
Restricted stock units	\$ 1,821	\$ 1,407	\$ 3,476	\$ 2,509
Stock options	1,062	468	1,725	953
Employee stock purchase plan (ESPP)	12	9	12	9
Total share-based compensation expenses	<u>\$ 2,895</u>	<u>\$ 1,884</u>	<u>\$ 5,213</u>	<u>\$ 3,471</u>

Share-Based Compensation Equity Awards

The following tables provide information about the Company's restricted stock unit and stock option activity during the six month period ended June 30, 2026:

Restricted Stock Units

The following tables summarize the Company's awards of service-based and market conditions vesting-based restricted stock units for the six month period ended June 30, 2026:

	Number of Units	Weighted Average Grant Date Fair Value
	(in thousands)	
<u>Restricted Stock Unit Awards (RSUs) - Service-based:</u>		
Unvested as of December 31, 2025	2,684	\$ 3.24
Granted	1,418	\$ 4.28
Vested	(1,367)	\$ 2.63
Forfeited	(26)	\$ 4.12
Unvested as of June 30, 2026	<u>2,709</u>	\$ 4.08
Expected to vest as of June 30, 2026	2,504	\$ 4.09

As of June 30, 2026, \$7,835 of total unrecognized compensation expenses related to unvested service-based restricted stock units are expected to be recognized over a remaining weighted average period of 2.06 years. The service-based restricted stock units granted to employees are subject to a three-year graduated vesting schedule and are not subject to performance-based criteria other than continued employment.

	Number of Units	Weighted Average Grant Date Fair Value
<u>Restricted Stock Unit Awards (RSUs) - Market conditions vesting-based:</u>	(in thousands)	
Unvested as of December 31, 2025	1,728	\$ 2.55
Granted ^(a)	541	2.40
Vested	(1,706)	2.28
Forfeited	—	—
Unvested as of June 30, 2026	563	\$ 2.82
Expected to vest as of June 30, 2026	517	\$ 2.82

(a) The 2023 market conditions vesting-based restricted stock units vested at 150% in May 2026. These additional units were granted during the three months ended June 30, 2026.

As of June 30, 2026, \$819 of unrecognized compensation expense related to unvested market condition vesting- based restricted stock units are expected to be recognized over a remaining weighted average period of 1.68 years.

The 2023 market conditions vesting-based restricted stock units vest based on a Performance Price measured as the 30-day average of the closing prices of the Common Stock as reported on the Nasdaq Global Market immediately prior to and including the last calendar day of the three-year performance period (which ends on the third anniversary of the grant date). To the extent the Performance Price is less than \$1.75, the Vesting Percentage will be zero. To the extent the Performance Price is \$1.75, the Vesting Percentage will be 50%. To the extent the Performance Price is \$1.76 or greater, but less than \$2.50, the Vesting Percentage will be a prorated amount between 50.01% and 99.99%, based on straight-line interpolation. To the extent the Performance Price is \$2.50, the Vesting Percentage will be 100%. To the extent the Performance Price is \$2.51 or greater, but less than \$3.25, the Vesting Percentage will be a prorated amount between 100.01% and 149.99%, based on straight-line interpolation. To the extent the Performance Price is \$3.25 or greater, the Vesting Percentage will be 150%. In no event will the Vesting Percentage exceed 150%.

The 2025 market conditions vesting-based restricted stock units were measured over a three-year performance period. The performance period is split into two pricing periods. The first pricing period commences on the grant date and ends on the calendar day immediately preceding the second anniversary of the grant date. The second pricing period commences on the second anniversary of the grant date and ends on the third anniversary of the grant date. The performance price for the first pricing period is calculated based on the 30-day average price observed for the last 30 days of the first pricing period. The performance price for the second pricing period is calculated based on the highest 30-day average for any 30-day period throughout the second pricing period. To the extent the Performance Price is less than \$6.00, the Vesting Percentage will be zero. To the extent the Performance Price is \$6.00, the Vesting Percentage will be 50%. To the extent the Performance Price is \$6.01 or greater, but less than \$7.00, the Vesting Percentage will be a prorated amount between 50.01% and 99.99%, based on straight-line interpolation. To the extent the Performance Price is \$7.00, the Vesting Percentage will be 100%. To the extent the Performance Price is \$7.01 or greater, but less than \$8.00, the Vesting Percentage will be a prorated amount between 100.01% and 149.99%, based on straight-line interpolation. To the extent the Performance Price is \$8.00 or greater, the Vesting Percentage will be 150%. In no event will the Vesting Percentage exceed 150%.

The Company's estimates of the fair value of the 2025 market conditions vesting-based awards at their grant or valuation dates were based on a Monte Carlo simulation and considered various variables and the following assumptions:

Expected dividend yield	0%
Expected volatility	91.5%
Risk-free interest rate	3.9%
Stock price at grant date	\$2.65

Stock Option Awards:

	Number of Options (in thousands)	Weighted Average Exercise Price
Outstanding as of December 31, 2025	6,558	\$ 5.59
Granted	1,324	4.21
Exercised	(36)	0.76
Forfeited/Expired	(1)	3.84
Outstanding as of June 30, 2026	7,845	\$ 5.38
Expected to vest as of June 30, 2026	7,696	\$ 5.40
Exercisable as of June 30, 2026	5,806	\$ 5.83

The fair values of stock options granted were estimated using the Black-Scholes pricing model based on the following assumptions:

	Six Months Ended June 30, 2026		
Expected dividend yield	—%	—	—%
Expected volatility	96%	—	98%
Expected term (years)	5.5	—	6.1
Risk-free interest rate	3.8%	—	4.4%

The weighted average grant date fair value of stock options granted during the six months ended June 30, 2026 was \$3.34. During the six months ended June 30, 2026, stock options were granted with a weighted average exercise price of \$4.21.

As of June 30, 2026, \$5,404 of unrecognized compensation expense related to non-vested stock options is expected to be recognized over a remaining weighted average period of 1.94 years.

2022 Inducement Equity Incentive Plan (number of units in thousands)

In accordance with Nasdaq Listing Rule 5635(c)(4), the Company adopted the 2022 Equity Inducement Plan approved by the Compensation Committee of the Board of Directors of the Company effective as of July 29, 2022. There were 175 service-based awards and 125 options granted under this Plan during the six months ended June 30, 2026. The options and service-based awards granted under this Plan are included in the tables above. As of June 30, 2026, 600 shares remained available for grant under this Plan.

Note 19. Income Taxes

The Company has accounted for income taxes under the asset and liability method, which requires deferred tax assets and liabilities to be recognized for the estimated future tax consequences attributable to differences between financial statement carrying amounts and respective tax bases of existing assets and liabilities, as well as net operating loss carryforwards and R&D credits. Valuation allowances are provided if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items. For the three and six months ended June 30, 2026, the effective income tax rate was 0%, and the Company recorded no income tax expense from its pretax losses of \$22,864 and \$30,921, respectively. For the three and six months ended June 30, 2025, the effective income tax rate was 0%, and the Company recorded no income tax expense from its pretax losses of \$13,548 and \$36,478, respectively.

The primary factors impacting the effective tax rate for the three and six months ended June 30, 2026 is the anticipated full year pre-tax book loss and a full valuation allowance against any associated net deferred tax assets.

On July 4, 2025, the President signed H.R. 1, the Budget Reconciliation Bill, into law. The legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic R&D expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense.

These changes were reflected in the income tax provision for the three and six months ended June 30, 2026. As the result of the Company maintaining a full valuation allowance against its U.S. federal and state deferred tax assets, the changes introduced by this legislation did not result in a material impact to the Company's income tax provision or deferred tax balances for the current reporting period. The Company will continue to monitor the potential future impacts of the legislation, including any changes to its valuation allowance assessment, as further guidance becomes available and as facts and circumstances evolve.

Note 20. Contingencies

From time to time, the Company has been and may again become involved in legal proceedings arising in the course of its business, including product liability, intellectual property, securities, civil tort, and commercial litigation, and environmental or other regulatory matters.

California Litigation

Neurelis, Inc. v. Aquestive Therapeutics, Inc.

On December 5, 2019, Neurelis, Inc. ("Neurelis") filed a civil tort lawsuit against the Company in the Superior Court of California, County of San Diego. In December 2025, the parties reached a mutual out-of-court settlement agreement resolving all claims related to the matter, the terms of which settlement agreement are confidential. In the settlement agreement, the Company did not concede liability and settled the matter for business reasons. The Company does not consider this settlement material to its financial condition. The settlement of the matter was recorded within Selling, general, and administrative expenses on the Company's Statements of Operations and Comprehensive Loss for the year ended December 31, 2025. The current liability was recorded within Accounts payable and the non-current liability was recorded within Other non-current liabilities on the Company's Balance Sheets as of June 30, 2026 and December 31, 2025. On April 3, 2026 the court signed the Order dismissing the case with prejudice.

Neurelis FDA Lawsuit

Neurelis, Inc. v. Califf, et al., U.S. District Court for the District of Columbia

In May 2024, Neurelis filed a complaint in the U.S. District Court for the District of Columbia against the U.S. Food and Drug Administration, the U.S. Department of Health and Human Services, and certain government officials. The complaint in this matter alleges that the defendants violated the Administrative Procedure Act by approving the Company's NDA for Libervant for ARS patients aged between two and five years, and asked the Court to vacate that approval and enjoin the defendants from approving Libervant for this pediatric patient population until January 10, 2027, the scheduled date for the expiration of the U.S. orphan drug market exclusivity (ODE) granted by the FDA to the Valtoco[®] nasal spray product of Neurelis (the "ODE Expiration"). The Company intervened in this litigation to defend the approval of Libervant for this ARS pediatric patient population. Following submission of briefs and filings of respective motions by the parties for summary judgment, on February 14, 2025, the Court entered a final appealable judgment in favor of Neurelis, and against the FDA's and the Company's cross-motions for summary judgment, and directed the FDA to vacate the approval of Libervant. On February 18, 2025, the Company filed an appeal of the District Court's decision with the U.S. Court of Appeals for the District of Columbia Circuit (the "DC Appellate Court") and, on the same day, filed an emergency motion with the District Court to stay its order pending a decision on the appeal with the DC Appellate Court. The District Court denied the motion for a stay. On March 27, 2025, the DC Appellate Court denied the Company's emergency motion for stay. The FDA filed an appeal of the District Court's decision to the DC Appellate Court and the Company withdrew its appeal. As a result of the District Court's ruling, the FDA converted the approval of Libervant to a "tentative approval" and the Company has ceased marketing activities in the United States for Libervant for these ARS pediatric patients.

Subsequently, on February 3, 2026, Congress adopted and the President signed into law legislation that amended the Orphan Drug Act to provide that ODE applies only to the extent a subsequent applicant seeks approval for the same approved use or indication within the designated rare disease or condition to which the ODE applies. As applied, this legislation would confirm the FDA's long-standing interpretation of the Orphan Drug Act and its authority to approve another sponsor's orphan drug for a different use or indication than that of an approved drug with ODE, such as the FDA's prior approval of Libervant for ARS patients aged between two and five years. On February 16, 2026, the Company filed a motion with the DC Appellate Court requesting that the DC Appellate Court order all parties to submit simultaneous briefs regarding appropriate next steps regarding this legislation and its intended application to this case, including the possibility of a summary disposition of the matter by the DC Appellate Court. The parties are submitting briefs to the DC Appellate Court and a decision is expected later this year. The Company is not able to determine or predict the ultimate outcome of these proceedings or provide a reasonable

estimate or range of estimates of the possible outcome or loss, if any, in this matter or whether the FDA will grant U.S. market access to Libervant for ARS patients aged between two and five years in advance of the ODE Expiration.

Suboxone Product Liability Litigation

The Company was named as a defendant in a multitude of product liability lawsuits, along with Indivior and several other named defendants, in which the individual plaintiffs in those cases allege that their use of Suboxone® sublingual film, a prescription drug product for opioid use disorder, caused them dental injuries. On February 2, 2024, this litigation became a MDL consolidated in the U.S District Court for the Northern District of Ohio. One case alleging the same allegations as contained in the MDL has been filed in a state court in the State of New Jersey. The parties to the MDL have agreed to a tolling of unfiled claimants in several states. Contractual indemnification obligation of Indivior remains in effect, and Indivior continues to assume defense costs associated with these matters. The Company's motion to dismiss the MDL matter was granted as to all claims against Aquestive by plaintiffs except design defect claims and claims for punitive damages. Discovery is ongoing and no trial date has been set in the MDL matter. The Company is not able to determine or predict the ultimate outcome of this litigation or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter.

The Company was named as a defendant in three proposed class action lawsuits filed in Canada, along with Indivior and several other named defendants, in which the individual plaintiffs in those cases allege that their use of Suboxone® products caused them dental injuries. Two of these cases have been filed in British Columbia and the third case has been filed in Quebec and is proceeding towards an authorization hearing, the date of which has not yet been set. Pre-discovery and case management proceedings are underway and no trial date has yet been set. The Company is not able to determine or predict the ultimate outcome of this litigation or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this litigation.

Federal Securities Class Action

On March 5, 2026, a putative securities class action lawsuit was filed against the Company and Daniel Barber in the United States District Court for the District of New Jersey, captioned *Modica v. Aquestive Therapeutics, Inc. and Daniel Barber*. The complaint purports to seek relief on behalf of a class of investors who purchased or otherwise acquired the Company's publicly traded securities between June 16, 2025 and January 8, 2026, and asserts violations of Section 10(b) of the Exchange Act against all defendants and Section 20(a) of the Exchange Act against the individual defendant. The complaint alleges, among other things, that during the proposed class period, defendants made misstatements and/or failed to disclose certain facts regarding the NDA for Anaphylm. The complaint seeks various forms of relief, including monetary damages in an unspecified amount. The lead plaintiff selection process is pending with the court. Following selection of the lead plaintiff the Company anticipates filing a motion to dismiss. The Company is not able to determine or predict the ultimate outcome of this proceeding or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter.

Shareholder Derivative Litigation

On April 15, 2026, a shareholder derivative lawsuit was filed by a purported shareholder on behalf of the Company against certain individual directors and officers of the Company, naming the Company as a nominal defendant, in the United States District Court for the District of New Jersey, captioned *Wilson v. Brown, et al.* The complaint asserts claims for violation of Section 14(a) of the Exchange Act against the director defendants, and breach of fiduciary duty, aiding and abetting breach of fiduciary duty, and waste of corporate assets against all individual defendants. The complaint alleges, among other things, that the individual defendants failed to exercise adequate oversight of, and misrepresented and/or failed to disclose certain facts regarding the NDA for Anaphylm. The derivative action has been designated as related to the securities class action described above. The complaint seeks various forms of relief, including monetary damages in an unspecified amount and corporate governance reforms. This case has been stayed, pending a ruling on that anticipated motion to dismiss the securities class action. The Company is not able to determine or predict the ultimate outcome of this proceeding or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter.

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

You should read this section in conjunction with our condensed interim financial statements and related notes included in Part I Item 1 of this Quarterly Report on Form 10-Q and our audited financial statements and related notes thereto and management’s discussion and analysis of financial condition and results of operations for the years ended December 31, 2025 and 2024 included in our 2025 Annual Report on Form 10-K. All dollar amounts are stated in thousands except for share data.

Forward-Looking Statements

This Quarterly Report on Form 10-Q and certain other communications made by us include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “anticipate,” “plan,” “expect,” “estimate,” “intend,” “may,” “will,” or the negative of those terms, and similar expressions are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements regarding the advancement and related timing of our product candidate Anaphylm™ (dibutepinephrine) sublingual film through clinical development and approval by the FDA, including our ability to address the concerns raised by the FDA in the Complete Response Letter (CRL) dated January 30, 2026 and Type A meeting with the FDA on March 26, 2026, and for the FDA to approve Anaphylm or whether the FDA may request further information from us, disagree with our protocols, study designs, or findings or otherwise undertake a lengthy review of our resubmission, and challenges regarding the following commercial launch of Anaphylm, if approved by the FDA; the advancement and related timing of potential international regulatory filings and marketing authorization of Anaphylm outside of the U.S.; Anaphylm’s potential to be the first and only non-invasive orally delivered epinephrine product and to be accepted as an alternative to existing standards of care, if approved by the FDA; the expected growth of the U.S. epinephrine market including in value and the opportunity such growth presents to the Company should Anaphylm be approved by the FDA; the advancement, growth and related timing of our AdrenaVerse™ pipeline epinephrine prodrug product candidates, including AQST-108 (epinephrine) topical gel, through clinical development and FDA regulatory approval process, including design and timing of clinical studies including those necessary to support the indication of alopecia areata and atopic dermatitis for AQST-108 or other possible indications; the potential sale or outlicensing of Anaphylm, Libervant or other product candidates; anticipated timelines, milestones, and guidance relating to regulatory submissions, clinical studies, regulatory interactions, and potential approvals, which are subject to change based on regulatory feedback, protocol alignment, data sufficiency, and other factors outside the Company’s control; the approval for U.S. market access of Libervant and overcoming the orphan drug market exclusivity of an FDA approved nasal spray product of another company extending to January 2027; the commercial opportunity of Libervant, Anaphylm, AQST-108 and our other product candidates, should these product candidates be approved by the FDA; the focus on continuing to manufacture Suboxone®, Emylif®, Sympazan®, Ondif® and other licensed products; the potential benefits our products and product candidates could bring to patients; the achievement of clinical and commercial milestones, product orders and fulfillment; our cash requirements, cash funding and cash burn; short-term and longer term liquidity and the ability to fund our business operations; our growth and future financial and operating results and financial position, including with respect to our 2026 financial outlook; and business strategies, market opportunities, and other statements that are not historical facts.

These forward-looking statements are based on our current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Such risks and uncertainties include, but are not limited to, risks associated with our development work, including any delays or changes to the timing, cost and success of our product development activities and clinical trials and plans, including those relating to Anaphylm, AQST-108, and our other product candidates; risks related to our existing indebtedness and potential future obligations under our Credit Agreement, including the risk that, should Anaphylm receive FDA approval, our indebtedness will increase substantially, and there is no assurance that revenues from the commercialization of Anaphylm will be sufficient to service or repay such obligations; and that, if Anaphylm does not receive FDA approval, we will be required to maintain larger cash reserves to fund ongoing operations and will not be able to deploy those funds for other purposes; risks that restrictive covenants contained in our Credit Agreement could limit our operational flexibility, including restrict our ability to incur additional indebtedness or make investments, and impair our ability to raise additional capital when needed; risk of delays in advancement of the regulatory approval process through the FDA of our product candidates, including the filing of the respective NDAs, for Anaphylm, AQST-108, Libervant and other product candidates, or failure to receive FDA approval at all of any for these product candidates; risk of FDA inspections of manufacturing and clinical study sites for any of our product candidates, including Anaphylm; risk of government shutdowns or actions to reduce government workforces on the ability of the FDA to act on the approval of our product candidates, including Anaphylm and Libervant; risk of the Company’s ability to generate sufficient clinical and other human factor data, including with respect to our submission of pharmacokinetics and pharmacodynamics (PK/PD) comparability data for FDA approval of Anaphylm; risks associated with our ability to address the FDA’s comments on and identified deficiencies in our NDA for Anaphylm, including the concerns raised by the FDA in the CRL and Type A Meeting; risks associated with the success of any competing products, including generics; risks and uncertainties inherent in commercializing a new product (including technology risks, financial risks, market risks and

implementation risks and regulatory limitations); risk of development of a sales and marketing capability for commercialization of our product candidates, including Anaphylm, if approved by the FDA; risks associated with the potential impact on the value of the Company of the sale or outlicensing of our product and product candidates, including Libervant and Anaphylm and other product candidates; risk of insufficient capital and cash resources, including insufficient access to available debt and equity financing, including under our ATM facility and the RTW Funding Agreement, and revenues from operations, to satisfy all of our short-term and longer-term liquidity and cash requirements to support our growth strategy, and other cash needs, at the times and in the amounts needed, and to fund future clinical development and commercial activities for our product candidates, including Anaphylm, AQST-108 and Libervant should these product candidates be approved by the FDA; risk of the impact of our obligations under the Company's Purchase Agreement and the Royalty Rights Agreement with third parties, each of which agreements requires the Company to make payments to each counterparty thereof, respectively, of a portion of our revenues, on our ability to contribute to the funding of our operations and the payment of interest on our debt; risk that our manufacturing capabilities will be insufficient to support demand of our product candidates in the U.S. and abroad, including Anaphylm, if such product candidates should be approved by the FDA and other regulatory authorities, and our licensed products in the U.S. and abroad; risk of eroding market share for Suboxone[®] as a sunset product, which accounts for a substantial part of our current operating revenue; risk of default of our debt instruments; risks related to the outsourcing of certain sales, marketing and other operational and staff functions to third parties; risk of the rate and degree of market acceptance in the U.S. and abroad of Anaphylm, AQST-108, Libervant and our other product candidates, should these product candidates be approved by the FDA and other regulatory authorities, and for our licensed products in the U.S. and abroad; risk associated with the size and growth of our product markets; risk associated with our compliance with all FDA and other governmental and customer requirements for our manufacturing facilities; risks associated with intellectual property rights and infringement claims relating to our products; risk that our patent applications for our product candidates, including for Anaphylm, will not be timely issued, or issued at all, by the United States Patent and Trademark Office (PTO) or, if issued, will be sufficient to provide long-term commercial success of these product candidates; risk of unexpected patent developments; risk of legislation and regulatory actions and changes in laws or regulations affecting our business, including relating to our products and product candidates and product pricing, reimbursement or access therefor; risk of loss of significant customers; risks related to claims and legal proceedings against us including patent infringement, securities, business torts, investigative, product safety or efficacy and antitrust litigation matters; risk of product recalls and withdrawals; risks related to any disruptions in our information technology networks and systems, including the impact of cybersecurity attacks; risk of increased cybersecurity attacks and data accessibility disruptions due to remote working arrangements; risk of adverse developments affecting the financial services industry; risks related to inflation and changing interest rates; risks related to the impact of pandemic diseases on our business; risks and uncertainties related to general economic, political (including the Ukraine, Israel and Iran wars and other acts of war and terrorism), business, industry, regulatory, financial and market conditions and other unusual items; risks related to uncertainty about presidential administration initiatives and their impact on our business, including imposition of government tariffs and other trade restrictions; and other uncertainties affecting the Company including those described in the "Risk Factors" section and in other sections included in this Quarterly Report on Form 10-Q. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these statements. These factors include the matters discussed and referenced in the risk factors of the Company's 2025 Annual Report on Form 10-K and our other Quarterly Reports on Form 10-Q and in our Current Reports on Form 8-K and our other filings with the SEC. Given these uncertainties, you should not place undue reliance on these forward-looking statements, which speak only as the date made. All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We assume no obligation to update forward-looking statements, or outlook or guidance after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise, except as may be required by applicable law. Readers should not rely on the forward-looking statements included in this Quarterly Report on Form 10-Q as representing our views as of any date after the date of the filing of this Quarterly Report on Form 10-Q.

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "Aquestive," the "Company," "we," "us," and "our" refer to Aquestive Therapeutics, Inc.

Overview

Aquestive is a pharmaceutical company advancing medicines to bring meaningful improvement to patients' lives through innovative science and delivery technologies. The worldwide leader in delivering trusted, quality medications on oral film, Aquestive operates as both a developer of its own proprietary products and a Contract Development and Manufacturing Organization (CDMO) for licensees, with its headquarters in New Jersey and U.S.-based manufacturing facilities in Indiana. The Company is the exclusive manufacturer of four commercialized products marketed by its licensees across six continents using proprietary, best-in-class technologies like PharmFilm[®]. Aquestive's AdrenaVerse[™] platform contains a library of more than 20 epinephrine prodrugs enabling the pursuit of various potential allergy and dermatological indications. The Company is

advancing Anaphylm™ (dibutepinephrine) sublingual film for the treatment of severe allergic reactions, including anaphylaxis, and AQST-108 (epinephrine) topical gel for various potential dermatological conditions.

We manufacture licensed products at our facilities and anticipate that our current manufacturing capacity is sufficient for commercial quantities of our licensed products and product candidates currently in development. Our facilities have been inspected by the FDA, TGA, and DEA, and are subject to inspection by all applicable health agencies, including ANVISA and EMA. Not all collaborative or licensed products of the Company that may be commercially launched in the future will necessarily be manufactured by us.

Complex Molecule Portfolio

We have developed a proprietary pipeline of complex molecule-based product candidates as alternatives to invasively administered standard of care therapeutics addressing large market opportunities. The active programs in our complex molecule pipeline portfolio are:

- **Anaphylm™** (dibutepinephrine) sublingual film – the first and only non-invasive, orally delivered epinephrine prodrug product candidate in development that has shown clinical results comparable to auto-injectors (such as EpiPen® and Auvi-Q®) for the emergency treatment of allergic reactions, including anaphylaxis. Epinephrine is the standard of care in the treatment of anaphylaxis and is typically administered via intramuscular injection, including manual auto-injectors such as EpiPen and Auvi-Q, which require patients or their caregivers to inject epinephrine into the patient's thigh during an emergency allergic reaction. As a result of this route of administration, many patients and their caregivers are reluctant to use injectable products. In August 2024, a nasal spray device was approved by the FDA for the treatment of severe allergic reactions, including anaphylaxis. However, Anaphylm would, if approved by the FDA, allow a patient to simply place a dissolvable strip, approximately the size and weight of a postage stamp, under the tongue, providing an appropriate medication where it is needed and when it is needed.

Recent Regulatory Updates

We completed the Anaphylm NDA submission to the FDA in the first quarter of 2025. On June 13, 2025, the NDA submission was accepted by the FDA and a PDUFA target action date of January 31, 2026 was assigned. The Company was informed in September 2025 that the FDA would not hold an Advisory Committee meeting regarding the approval of Anaphylm.

On January 30, 2026, the Company received a CRL that focused on administration and labeling guidance. Clinical trial results submitted as part of the NDA regarding comparability to approved auto-injectors (such as EpiPen and Auvi-Q), such as bracketing, repeat dose, and sustainability, were not questioned in the CRL. In addition, there were also no CMC issues noted in the CRL. The FDA cited deficiencies in the Anaphylm human factors (HF) validation study. These included instances of difficulty opening the pouch, torn film during pouch opening, incorrect placement the film during administration, chewing the film, and/or removal of the film after administration. If unaddressed, the FDA believes these issues could cause significant safety issues in the setting of anaphylaxis. To resolve the FDA's concerns, the Company modified the pouch opening, instructions for use, pouch and carton labeling, and conducted a new HF validation study with these modifications and a pharmacodynamic (PK) study requested by the FDA to test the affect of these modifications.

On August 10, 2026, the Company announced results from its recent HF validation study and PK study for Anaphylm. The new HF study evaluated a revised packaging design, incorporating modifications to the pouch opening, instructions for use, and pouch and carton labeling intended to address previously identified issues. The new HF study shows significant improvement across each deficiency identified by the FDA. The median time to open a pouch decreased from 17 seconds in the previous study to 3 seconds. The number of participants who had difficulty opening the pouch decreased from 26 (out of 166) to 1 (out of 105). The number of participants who incorrectly administered the film in the mouth decreased from 20 (out of 166) to 2 (out of 105). In the latest HF study, no participants were observed chewing the film or removing the film. In addition, using the revised packaging and revised instructions for use, the Company conducted a single PK study in healthy volunteers comparing self-administration to clinician-administered as well as manual IM administration. No administration errors were observed in the self-administration arm of the PK study. In a separate PK arm evaluating purposely misplaced (top-of-tongue) administration requested by the FDA, geometric mean Cmax was lower and Tmax longer than with correct sublingual placement, as expected, though the observed pharmacodynamic response was comparable to or of greater magnitude than that observed with injectable epinephrine. No serious adverse events, serious events, or events leading to study drug discontinuation were reported in the PK study. The Company will include the HF and clinical PK data in its planned resubmission of the Anaphylm New Drug Application to the FDA, which the Company is expecting to complete in the third quarter of 2026. The Company plans to request accelerated review of the resubmission, though no expedited review can be guaranteed.

The Company is concurrently pursuing regulatory strategies outside the United States. Based on feedback from regulatory agencies, the Company expects to submit regulatory applications in Canada, the EU and United Kingdom by utilizing its existing clinical data. The Company expects to file its New Drug Submission in Canada in 2026 and the EU in 2027. The Company believes that these markets represent important opportunities to potentially expand access to the Company's non-invasive epinephrine therapy globally.

Clinical Development of Anaphylm

The Company believes that the original Anaphylm NDA submission is supported by a comprehensive clinical development program consisting of eleven independent clinical studies with approximately 967 total administrations across 411 subjects, including 840 single-dose and 127 repeat-dose exposures of Anaphylm. As part of the clinical development program, Aquestive conducted a first-of-its-kind oral allergy syndrome study, which demonstrated Anaphylm's performance in a real-world, allergen-induced setting. The program demonstrated that Anaphylm delivers a PK profile comparable to the leading epinephrine auto-injectors. These studies showed that Anaphylm was generally well-tolerated and had a safety profile similar to that of epinephrine.

On February 24, 2022, following a Phase 1 clinical study conducted by the Company outside of the U.S., the FDA cleared our IND for Anaphylm, allowing for clinical investigation of Anaphylm in the U.S. The FDA confirmed that the 505(b)(2) regulatory approval pathway is acceptable for the development of Anaphylm. The FDA granted Fast Track designation of Anaphylm in March 2022.

Throughout 2022 and 2023, we reported positive topline data from several clinical studies evaluating multiple oral film formulations and dosage strengths of Anaphylm in healthy adult subjects, including cross over studies comparing the PK and PD of epinephrine delivered via Anaphylm compared to current standards of care, EpiPen® and IM injectors. These studies demonstrated that treatment with Anaphylm was well tolerated, with no serious adverse events, significant medical events, or treatment-related severe adverse events reported. The data from these clinical studies formed the basis for the EOP2 meeting with the FDA in December of 2022, which provided clarity as to the FDA's expectations regarding key clinical program areas for design of revised dosing instructions expected for use in our pivotal clinical trial.

In the fourth quarter of 2023, we received comments from the FDA on the protocol for our pivotal clinical study for Anaphylm, which comments indicated that our proposed endpoints, sample size, and statistical analysis for the proposed pivotal clinical study were reasonable and provided clarity on PK sustainability with repeat-dose requirements. We incorporated the FDA's feedback into the pivotal clinical study design, which study commenced in the fourth quarter of 2023.

In January 2024, we completed a Type C meeting with the FDA in which the FDA found that we had adequately addressed the FDA's previous concerns noted in the EOP2 meeting, including addressing (1) the impact of any product hold time, (2) the potential for emesis (vomiting), and (3) the impact of potential mouth conditions such as angioedema (swelling), by removing product hold time from the administration instructions and providing additional information on how to characterize emesis in our NDA submission with the FDA. Regarding mouth conditions, the FDA recommended administering Anaphylm after oral exposure to a known allergen and assessing PK performance thereunder. This study replaced our previously planned angioedema study. In those comments, the FDA did not outline any new clinical development requirements for the Anaphylm program. The FDA reserved judgment on the sufficiency of the Anaphylm clinical development program until completion of ongoing and planned studies, the results of which were presented at a pre-NDA interaction with the FDA on November 22, 2024.

In March 2024, we released topline data from our pivotal clinical study for Anaphylm. The two-part, Phase 3, single-center, open-label, randomized study was designed to compare the PK and PD of single and repeat doses of Anaphylm versus single and repeat doses of the IM injection and epinephrine autoinjectors (EpiPen® and Auvi-Q®) in healthy adult subjects. The results of this study demonstrated that the primary endpoint, epinephrine PK biocomparability of the single administration of Anaphylm to the single administration of Adrenalin (epinephrine IM injection) and epinephrine autoinjectors in healthy adult subjects was met. The study also met its secondary endpoints, which included evaluating the PK sustainability of Anaphylm following repeat administration, as well as its safety and tolerability of Anaphylm following single and repeat administrations versus epinephrine IM injection and epinephrine autoinjectors.

In June 2024, we reported positive topline PK data from the Company's temperature / pH study of Anaphylm. The single-dose, five-period, randomized crossover study was designed to compare the PK and PD of Anaphylm just after consuming normal water at different temperatures (hot, cold, and room temperature) as well as water of different pHs

(acidic- lemon water, and basic- baking soda water). The most consumed beverages, such as soda, milk, coffee, and juice, have acidity between lemon water and normal water. The primary PK parameters were the maximum amount of epinephrine measured in plasma (Cmax) and exposure, or the area under the curve (AUC), at predefined time points after dosing, in 30 healthy adult subjects. Topline PK and PD data from the study showed no statistically significant difference in PK and PD results between the different groups based on temperature and pH variability in the mouth.

In July 2024, we reported positive topline data from the self-administration PK study of Anaphylm. The single-dose, three-period, randomized crossover study was designed to compare the PK and PD of Anaphylm self-administered, Anaphylm HCP-administered, and Adrenalin IM injection HCP-administered. The primary PK parameters were the Cmax and the AUC exposures, at predefined time points after dosing in 36 healthy adult subjects. The median time to maximum concentration (Tmax) was 15 minutes for both the Anaphylm self-administered and HCP-administered arms, while the median Tmax for the Adrenalin IM injection HCP-administered arm was 50 minutes post-administration. Also, there was no statistical difference between the Anaphylm self-administered and HCP-administered arms of the study based on a comparison of epinephrine exposures across the first 60 minutes post-administration. Topline PD data from the study showed no difference in the median increase in systolic blood pressure, diastolic blood pressure, and heart rate whether Anaphylm was self-administered or HCP-administered.

In October 2024, we reported positive topline data from an oral allergy syndrome challenge study (now referred to as the "OASIS" study), meeting both primary and secondary endpoints. The two-part study demonstrated that Anaphylm's PK and PD profile during allergen-induced oral physiological changes was consistent with its profile without an allergen challenge. In addition, following allergen exposure where 94% of subjects exhibited moderate to severe symptoms per the predefined oral severity score, rapid symptom resolution was observed beginning as early as 2 minutes post-administration. The median time to complete symptom resolution was 12 minutes compared to 74 minutes at screening baseline, with 50% of all symptoms across all subjects resolving by 5 minutes. The mean time of symptom resolution for edema, which affected approximately 25% of subjects, was 5 minutes after Anaphylm administration. The PK profile remained consistent, with median Tmax maintained at 12 minutes and comparable Cmax values between allergen-exposed and non-exposed cohorts. The safety profile was favorable, with all adverse events classified as mild to moderate and resolving without medical intervention.

Also in October 2024, at the American College of Allergy, Asthma and Immunology 2024 Annual Meeting, we presented results from a subsequent analysis of our pivotal study data demonstrating Anaphylm's consistent PK and PD profile regardless of variable placement or intraoral movement. The analysis showed that 87.5% of subjects maintained consistent film placement during disintegration. In the 12.5% of subjects where movement was noted, there were no significant differences in Cmax and Tmax. These findings further demonstrate that initial placement or subsequent movement of the sublingual film had no impact on epinephrine PK or PD comparability to epinephrine autoinjectors.

On November 22, 2024, we received positive pre-NDA written response feedback from the FDA prior to our planned NDA submission in the first quarter of 2025. The FDA did not indicate in those responses that any additional adult clinical trials would be necessary for submitting the NDA for Anaphylm. In addition, the FDA agreed with our planned NDA content and format for the submission, planned safety evaluation, and planned pediatric trial. The FDA also provided further guidance on additional data views to be included in the planned NDA submission and continued to emphasize its focus on PK sustainability for a single dose. In addition, the FDA requested minor modifications to the pediatric trial protocol, which requested modifications were incorporated in the final pediatric trial protocol.

The pediatric study in subjects from the ages of 7 to 17 (weight greater than or equal to 30 kgs) was completed with positive topline data reported on April 1, 2025. A total of thirty-two patients completed the study. The PK results were consistent with previous adult studies. Anaphylm was shown to be safe and well-tolerated with no serious adverse events reported in this pediatric study.

- **AQST-108** (epinephrine) topical gel – Our product candidate, AQST-108, is generated from our AdrenaVerse™ platform which contains a library of over twenty epinephrine prodrugs intended to control absorption and conversion rates across a variety of possible dosage forms and delivery sites. Epinephrine plays a critical role in immune suppression but, until now, its role has been limited due to issues in the absorption and conversion of epinephrine in the human body. We believe that our AdrenaVerse epinephrine prodrug platform has demonstrated the ability to harness the therapeutic potential of epinephrine through highly differentiated prodrug formulations, which are designed to achieve absorption, provide sustained local exposure and avoid systemic exposure.

AQST-108 is a topically delivered adrenergic agonist prodrug, which we believe has the potential to support the re-establishment of immune privilege in the hair follicle and we are pursuing its development for the possible treatment of alopecia areata, which is an autoimmune disease leading to hair loss on the scalp, face and, in more severe cases, other body areas. We completed the first human clinical trial for AQST-108 in 2024. The two-part trial was designed

to assess the safety and local tolerability of AQST-108. Part 1 was designed as a single ascending dose escalation study to assess the safety and PK of five different dose levels. The 1.0% dose of AQST-108 was chosen based on the down selection from the highest dose to move into the Part 2 study of the development program. In Part 2, three formulations based on excipient variations were evaluated in twelve healthy subjects. In Parts 1 and 2, no serious adverse events or topical adverse events were observed. In Part 2, the calculated percentage of AQST-108 observed in the skin remained consistent across all studied formulations and zero post-dose AQST-108 concentrations in plasma were observed. We opened an IND for this product candidate in the fourth quarter of 2025.

The Company recently completed its second phase 1 clinical trial, which was designed to further characterize the safety, tolerability, and pharmacologic profile of the topical epinephrine prodrug gel. There were no drug related adverse events observed in the study and the data did not indicate signs of systemic absorption. In addition, Aquestive identified a biomarker signal through the suppression of the cytokine Thymic Stromal Lymphopoietin (TSLP) when compared to placebo. The TSLP signaling pathway involves the activation of Janus Kinase (JAK) 1 and JAK2. This signal will be explored further in upcoming studies. AQST-108 is believed to have potential immunomodulatory effects, including downregulation of certain chemoattractants and inflammatory mediators, while stabilizing mast cells. We continue to believe AQST-108 has potential application across a variety of dermatologic inflammatory indications, including atopic dermatitis. We plan to conduct additional pre-clinical and clinical studies for AQST-108 in the second half of 2026 through the first half of 2027.

Proprietary CNS Product

We believe the application of our proprietary PharmFilm® technology is particularly valuable and relevant to patients suffering from certain CNS disorders to meet patients' unmet medical needs and to solve patients' therapeutic problems. Our most advanced asset within our proprietary CNS portfolio, focused in epilepsy, is as follows:

- **Libervant®** – a buccally, or inside of the cheek, administered soluble film formulation of diazepam. Libervant was developed as an alternative to device-dependent rescue therapies currently available to patients with refractory epilepsy, which are a rectal gel and nasal sprays.

On April 26, 2024, the FDA approved Libervant® (diazepam) buccal film for U.S. market access for the acute treatment of intermittent, stereotypic episodes of frequent seizure activity (*i.e.*, seizure clusters, ARS) that are distinct from a patient's usual seizure pattern in patients with epilepsy between two to five years of age. Libervant is the first and only orally administered rescue product for the treatment of seizure cluster in patients between ages two to five. The only other current FDA approved products for these ARS patients between two to five years of age is a diazepam rectal gel and a diazepam nasal spray. In October 2024, Libervant 5mg, 7.5mg, 10mg, 12.5mg and 15 mg for ARS patients between two and five years of age became available through multiple retail distribution channels. In the fourth quarter of 2024, the FDA granted seven years of ODE to Libervant for ARS patients between two to five years of age. Libervant was originally granted Orphan Drug Designation on November 10, 2016.

On February 14, 2025, in a lawsuit brought by Neurelis, the owner of the FDA approved nasal spray Valtoco, against the FDA (Neurelis, Inc. v. Califf, for which the Company joined as a Defendant Intervenor) challenging the FDA's approval of Libervant for ARS patients aged between two and five years, the U.S. District for the District of Columbia issued a final appealable order entering a judgment in favor of Neurelis's motion for summary judgment and vacating the FDA's approval of Libervant. The District Court's ruling was not based on grounds of safety or efficacy of Libervant, but rather on the grounds that the law granting ODE to the FDA approved nasal spray Valtoco for patients aged six years and older should be interpreted to extend to children aged two to five years, despite that Valtoco was not approved by the FDA to treat these younger patients at the time the FDA approved Libervant for this pediatric age group. The FDA is appealing this ruling. As a result of the District Court ruling, the FDA converted the approval of Libervant for patients aged between two and five years to a "tentative approval" and Aquestive has ceased marketing activities for Libervant in the United States.

On February 24, 2025, Aquestive filed a request with the FDA that the FDA also confirm approval of Libervant for ARS patients aged between two and five years on the FDA regulatory grounds of clinical superiority over the other currently existing FDA approved ARS drugs. FDA's orphan drug regulations define a "clinically superior" drug as "a drug shown to provide a significant therapeutic advantage over and above that provided by an approved orphan drug (that is otherwise the same drug)" in one of three ways: the basis of greater efficacy or safety, or providing a major contribution to patient care. The FDA has taken this request under advisement and has not yet provided a response to the Company.

Prior to the FDA approval of Libervant for ARS patients between two to five years, the FDA granted tentative approval in August 2022 for Libervant for the same indication in patients with epilepsy 12 years of age and older, finding that Libervant had met all required quality, safety, and efficacy standards for approval. However, due to the

existing FDA regulatory grant of ODE for Valtoco for use in ARS patients 6 years of age and older, the FDA determined that Libervant was not yet eligible for marketing in the United States for this patient population of 12 years of age and older. We filed for FDA approval for use of Libervant for these ARS patients aged between 6 and 11 years in Q2 2026. However, as a result of the ODE granted by the FDA to Valtoco and the District Court's ruling, the FDA cannot give final approval for U.S. market access for Libervant for any age group until the expiration of the ODE or a determination by the FDA of inapplicability of the ODE for Libervant, unless the District Court's ruling vacating the FDA approval of Libervant for ARS patients aged between two and five years is overturned on appeal. In the event that the District Court's ruling is reversed without further right of appeal, and the tentative approval of Libervant for ARS patients aged between two and five is converted to a final approval by the FDA, the Company would only be able to market Libervant for ARS patients aged between two and five years and would continue to be restricted from market access of Libervant for older ARS patients until the expiration of the ODE for Valtoco. However, overcoming the orphan drug marketing exclusivity determination is difficult to establish, with limited precedent, and there can be no assurance that the FDA will agree with our position seeking to overcome such market exclusivity and approve Libervant for U.S. market access for any age group earlier than January 2027, the scheduled date for expiration of ODE for Valtoco. See “*Licensed Commercial Products, Product Candidates and Other Products – Libervant*” for a discussion of the licensing arrangement for Libervant.

Licensed Commercial Products, Product Candidates and Other Products

Our portfolio also includes other products and product candidates that we have licensed, or will seek to license, or for which we have licensed our intellectual property for commercialization. In the six months ended June 30, 2026 and 2025, our licensed product portfolio generated \$28,265 and \$18,723 in revenue to Aquestive, respectively. Those products include:

- **Suboxone®** – a sublingual film formulation of buprenorphine and naloxone, respectively an opioid agonist and antagonist, that is marketed in the United States and internationally for the treatment of opioid dependence. Suboxone was launched by our licensee, Indivior, in 2010. Suboxone is the most prescribed branded product in its category and was the first sublingual film product for the treatment of opioid dependence. We are the sole and exclusive supplier and manufacturer of Suboxone and have produced over 3.0 billion doses of Suboxone since its launch in 2010. As of June 30, 2026, Suboxone branded products retain approximately 24% film market share as generic film-based products have penetrated this market.
- **Emylif®** – an oral film formulation of riluzole, has been developed by Aquestive for the treatment of ALS. We believe that Emylif can bring meaningful assistance to patients who are diagnosed with ALS and face difficulties swallowing traditional forms of medication. This product was originally approved and marketed in the U.S. under the name Exservan. Exservan was approved by the FDA on November 22, 2019. We submitted a request for voluntary withdrawal of the NDA as the product is no longer marketed in the U.S. and the NDA was officially withdrawn on February 14, 2025.

During the fourth quarter of 2019, we announced the grant of a license to Zambon for the development and commercialization of Exservan in the EU for the treatment of ALS which it markets as Emylif. Zambon is a multinational pharmaceutical company with a focus on the CNS therapeutic area. Under the terms of the license agreement with Zambon, an upfront payment was paid to Aquestive for the development and commercialization rights of Emylif in the EU, and Aquestive will be paid development and sales milestone payments and low double-digit royalties on net sales of the product in the EU. Zambon is responsible for the regulatory approval and marketing of Emylif in the countries where Zambon seeks to market the product and Aquestive is responsible for the development and manufacture of the product.

- **Ondif®** – an oral soluble film formulation of ondansetron, a 5-HT antagonist, was developed for the treatment of nausea and vomiting associated with chemotherapy and post-operative recovery. Ondansetron is available as branded and generic products as intravenous injections, intramuscular injections, orally dissolving tablets, oral solution tablets, and film. We licensed commercial rights for this product to Hypera in Brazil (which Hypera markets as Ondif). Hypera received approval to market Ondif in Brazil from ANVISA on February 21, 2022. Aquestive manufactures and supplies Ondif to Hypera. This product was originally approved and marketed in the U.S. under the name Zuplenz®. We submitted a request for voluntary withdrawal of the NDA for Zuplenz, as the product is no longer marketed in the U.S. In November 2024, the request for FDA withdrawal of the NDA for Zuplenz was completed.
- **Libervant®** - We entered into the Pharmanovia Agreement with Pharmanovia, effective as of September 26, 2022, pursuant to which we granted Pharmanovia an exclusive license to certain of our intellectual property to develop and commercialize Libervant for the treatment of prolonged or acute, convulsive seizures in all ages in certain countries of the Territory, as defined in the Pharmanovia Agreement, during the term of the Pharmanovia Agreement. Under the Pharmanovia Agreement, Pharmanovia will lead the regulatory and commercialization activities for Libervant in the Territory and Aquestive will serve as the exclusive sole manufacturer and supplier of Libervant in the Territory. We

received \$3,500 upon agreement execution. Effective March 27, 2023, we amended the Pharmanovia Agreement to expand the scope of the licensed territory for Libervant to cover the rest of the world, excluding the U.S., Canada and China. Pharmanovia will be responsible for seeking appropriate regulatory approval in the expanded territories. Pursuant to the terms of the Pharmanovia Amendment No. 1, we received a non-refundable payment of \$2,000 from Pharmanovia on execution of the Pharmanovia Amendment No. 1.

- **Sympazan**[®] – an oral soluble film formulation of clobazam used for the treatment of seizures associated with a rare, intractable form of epilepsy known as Lennox-Gastaut syndrome, or LGS, in patients aged two years of age or older, was approved by the FDA on November 1, 2018. We commercially launched Sympazan in December 2018. On October 26, 2022, we entered into a License Agreement with Otter Pharmaceuticals, LLC, a subsidiary of Assertio Holdings, Inc., pursuant to which we granted an exclusive, worldwide license of its intellectual property for Sympazan to Assertio during the term of that agreement for an upfront payment of \$9,000. Additionally, we subsequently received from Assertio a \$6,000 milestone payment upon its receipt of a notice of allowance from the United States Patent and Trademark Office of its patent application U.S. Serial No. 16/561,573, and payment of the related allowance fee. Aquestive is the exclusive sole manufacturer and supplier of Sympazan for Assertio and will receive manufacturing fees from Assertio for the product through the expiration of such License Agreement. On April 8, 2026 Assertio entered into an Asset Purchase Agreement with Cosette to divest a portfolio of products, including Sympazan, to Cosette. Under the Asset Purchase Agreement, Assertio assigned and transferred its rights and certain obligations arising post closing relating to Sympazan to Cosette. Cosette assumed the intellectual property license and rights to commercialize Sympazan and will continue to purchase product and pay royalties and make milestone-related payments to Aquestive under the Assertio Agreement.
- **KYNMOBI**[®] – a sublingual film formulation of apomorphine, which is a dopamine agonist, was developed to treat episodic off-periods in Parkinson's disease. We licensed our intellectual property to Cynapsus Therapeutics, Inc., a company that was acquired by Sunovion for the commercialization of KYNMOBI under the Sunovion License Agreement. KYNMOBI was approved by the FDA on May 21, 2020 and commercially launched by Sunovion in September 2020. On November 3, 2020, we entered into the Monetization Agreement. Under the terms of the Monetization Agreement, we sold all of our contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI. In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets.
- **Azstarys**[®] – an FDA-approved, once-daily product for the treatment of ADHD in patients age 6 years or older. AZSTARYS consists of serdexmethylphenidate, a prodrug of d-methylphenidate (d-MPH), co-formulated with immediate release d-MPH. In March 2012, we entered into an agreement with Zevra (formerly KemPharm, Inc.) to terminate a Collaboration and License Agreement entered into by the Company and Zevra in April 2011. Under this termination arrangement, we have the right to participate in any and all value that Zevra may derive from the commercialization or any other monetization of KP-415 and KP-484 compounds or their derivatives. Among these monetization transactions are those related to any business combinations involving Zevra and collaborations, royalty arrangements, or other transactions from which Zevra may realize value from these compounds, including the product Azstarys. On March 2, 2021, Zevra announced FDA approval of Azstarys for the treatment of ADHD. Pursuant to the terms of the March 2012 agreement with Zevra, we began to receive milestone and royalty revenues for Azstarys. In March 2026, Zevra sold Azstarys to Commave Therapeutics SA. See Note 6, *Material Agreements* to our Condensed Financial Statements for additional information.

Critical Accounting Policies and Use of Estimates

There have been no material changes to our critical accounting policies and use of estimates as previously disclosed in our 2025 Annual Report on Form 10-K.

Smaller Reporting Company

We are a "smaller reporting company", meaning we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a "smaller reporting company" which allows us to take advantage of certain exemptions from disclosure requirements including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and certain reduced financial disclosures in our periodic reports. In addition, we are eligible to remain a smaller reporting company, for so long as we have a public float (based on our Common Stock equity) of less than \$250,000 measured as of the last business day of our most recently completed second fiscal quarter or a public float (based on our Common Stock equity) of less than \$700,000 as of such date and annual revenues of less than \$100,000 during the most recently completed fiscal year. We cannot predict if investors will find our Common Stock less attractive because we may rely on these exemptions. If some investors find our Common Stock less attractive as a result of these disclosure exemptions, there may be a less active trading market for our Common Stock and our stock price may be more volatile.

Financial Operations Overview

Revenues

Our revenues to date have been earned from our manufactured products made to order for licensees, as well as revenue from our self-developed, self-commercialized proprietary product, Libervant for ARS patients between two and five years of age which lost U.S. market access as a result of a court case challenging FDA's approval of Libervant in April 2025. Revenues are also earned from our product development services provided under contracts with customers, and from the licensing of our intellectual property. We generate revenues in four primary categories: manufacture and supply revenue, license and royalty revenue, co-development and research fees, and proprietary product revenue, net.

Manufacture and Supply Revenue

We manufacture based on receipt of purchase orders from our licensees, and our licensees have an obligation to accept these orders once quality assurance validates the quality of the manufactured product with agreed upon technical specifications. In most cases, our licensees are responsible for all other aspects of commercialization of these products, and we have no role, either direct or indirect, in our customers' commercialization activities, including those related to marketing, pricing, sales, payor access and regulatory operations.

We expect future manufacture and supply revenue from licensed products to be based on volume demand for existing licensed products, and for manufacturing and supply rights under license and supply agreements for existing or new agreements for successful product development collaborations.

License and Royalty Revenue

We realize revenue from licenses of our intellectual property. For licenses that do not require further development or other ongoing activities by us, our licensee has acquired the right to use the licensed intellectual property for self-development of their product candidate, for manufacturing, commercialization or other specified purposes, upon the effective transfer of those rights, and related revenues are generally recorded at a point in time, subject to contingencies or constraints, if any. For licenses that may provide substantial value only in conjunction with other performance obligations to be provided by us, such as development services or the manufacture of specific products, revenues are generally recorded over the term of the license agreement. We also earn royalties based on our licensees' sales of products that use our intellectual property that are marketed and sold in the countries where we have patented technology rights.

Co-development and Research Fees

Co-development and research fees are earned through performance of specific tasks, activities or completion of stages of development defined within a contractual development or feasibility study agreement with a customer. The nature of these performance obligations, broadly referred to as milestones or deliverables, are usually dependent on the scope and structure of the project as contracted, as well as the complexity of the product and the specific regulatory approval path necessary for that product. Accordingly, the duration of our R&D projects may range from several months to approximately three years. Although each contractual arrangement is unique, common milestones contained in these arrangements include those for the performance of efficacy and other tests, reports of findings, formulation of initial prototypes, production of stability clinical and/or scale-up batches, and stability testing of those batches. Additional milestones may be established and linked to clinical results of the product submission and/or approval of the product by the FDA and the commercial launch of the product.

Proprietary product revenue, net

This net revenue is recognized when product is shipped and title passes to the customer, typically at time of delivery. At the time of sale, estimates for various revenue allowances are recorded based on historical trends and judgmental estimates. For sales of Libervant for ARS patients between two to five years of age while Libervant had U.S. market access through April 2025, returns allowances and prompt pay discounts are estimated based on contract terms and historical return rates, if available, and these estimates are recorded as a reduction of receivables. Once receivables are collected, allowances are reclassified and treated as accrued liabilities. Similarly determined estimates are recorded relating to wholesaler service fees, co-pay support redemptions, and other rebates, and these estimates are reflected as a component of accrued liabilities. Once related variable considerations are resolved and uncertainties as to incurred amounts are eliminated, estimates are adjusted to actual allowance amounts. Provisions for these estimated amounts are reviewed and adjusted as needed on no less than a quarterly basis.

Costs and Expenses

Our costs and expenses are primarily the result of the following activities: generation of manufacture and supply revenues; development of our pipeline of proprietary product candidates; and selling, general and administrative expenses, including pre-launch and post-launch commercialization efforts, intellectual property procurement, protection, prosecution and litigation expenses, corporate management functions, medical and clinical affairs administration; public company costs, share-

based compensation expenses and interest on our corporate borrowings. We primarily record our costs and expenses in the following categories:

Manufacture and Supply Costs and Expenses

Manufacture and supply costs and expenses are primarily incurred from the manufacture of our commercialized licensed pharmaceutical products, including raw materials, direct labor and overhead costs principally in our Portage, Indiana facilities. Our material costs include the costs of raw materials used in the production of our proprietary dissolving film and primary packaging materials. Direct labor costs consist of payroll costs (including taxes and benefits) of employees engaged in production activities. Overhead costs principally consist of indirect payroll, facilities rent, utilities and depreciation for leasehold improvements and production machinery and equipment. These costs can increase, or decrease, based on the costs of materials, purchased at market pricing, and the amount of direct labor required to produce a product, along with the allocation of fixed overhead, which is dependent on production volume.

Our manufacture and supply costs and expenses are impacted by our customers' supply requirements. Costs of production reflect the costs of raw materials that are purchased at market prices and production efficiency (measured by the cost of a salable unit). These costs can increase or decrease based on the amount of direct labor and materials required to produce a product and the allocation of fixed overhead, which is dependent on the levels of production.

In addition to our proprietary products coming online, we may add licensee products which may need additional resources to manufacture. If such growth should occur for higher volume product opportunities such as Suboxone® and Ondif®, we would incur increased costs associated with hiring additional personnel to support the increased manufacturing and supply costs arising from higher manufactured volumes from proprietary and licensed products.

Research and Development Expenses

Since our inception, we have focused significant resources on our R&D activities. R&D expenses primarily consist of:

- employee-related expenses, including compensation, benefits, share-based compensation and travel expense;
- external R&D expenses incurred under arrangements with third parties, such as CROs, investigational sites and consultants;
- the cost of acquiring, developing and manufacturing clinical study materials; and
- costs associated with preclinical and clinical activities and regulatory operations.

We expect our R&D expenses to continue to be significant over the next several years as we continue to develop existing product candidates such as Anaphylm, AQST-108, and others, and as we identify and develop or acquire additional product candidates and technologies. We may hire or engage additional skilled colleagues or third parties to perform these activities, conduct clinical trials and ultimately seek regulatory approvals for any product candidate that successfully completes those clinical trials.

Selling, General and Administrative Expenses

Selling, General and Administrative expenses consist primarily of salaries, benefits, share-based compensation, other related costs for executive, finance, and operational personnel. Other costs include facility and related costs not otherwise included in R&D expenses such as: professional fees for patent-related expenses and for other legal expenses, legal expenditures, regulatory fees, consulting, tax and accounting services, insurance, market research, advisory board and key opinion leaders, depreciation, and general corporate expenses, inclusive of IT systems related costs. In addition, these expenses also include warehousing, distribution, selling and business development, and other costs.

Our general and administrative costs include costs related to accounting, audit, legal, regulatory, and tax-related services required to maintain compliance with exchange listing and SEC regulations, director and officer insurance costs, and investor and public relations costs. We continue to incur significant costs in seeking to protect our intellectual property rights, including significant litigation costs in connection with seeking to enforce our rights concerning third parties' at-risk launch of generic products.

We will continue to manage business costs to prepare for a potential future decline in Suboxone® revenue and other external factors affecting our business. We continue to focus on our core business as well as regulatory and pre-commercial launch activities for Anaphylm.

Loss on Extinguishment

On May 12, 2026, we issued the Term Loan Facility and used the proceeds from the issuance to repay the outstanding principal balance under the 13.5% Notes of \$45,000, and \$2,000 exit fee. We also incurred a prepayment penalty of \$3,825 and other transaction expenses. We recognized a loss on extinguishment of debt of \$11,683 on the Condensed Statements of

Operations and Comprehensive Loss for the three and six months ended June 30, 2026. The loss represents the difference between the carrying value of the 13.5% Notes as of May 12, 2026 and the total payoff amount of the 13.5% Notes.

Interest Expense

Interest expense consists of interest costs on the outstanding balances of the Term Loan Facility at a floating rate equal to three-month SOFR, subject to a floor of 2.75%, plus an applicable margin of 6.25%, payable quarterly and interest costs on the outstanding balances of our 13.5% Notes prior to redemption at a fixed rate of 13.5%, payable quarterly, amortization of the discount associated with the long-term portion of the legal settlement, annual agency fee related to the Term Loan Facility, as well as amortization of issuance costs and debt discounts for the Term Loan Facility and the 13.5% Notes. The issuance of the Term Loan Facility and the repayment of the 13.5% Notes are discussed in Note 13, *Long-Term Debt*, to our Condensed Financial Statements. See *Liquidity and Capital Resources* below for further detail on the Term Loan Facility.

Interest Expense related to Royalty Obligations

In connection with the issuance of the 13.5% Notes, we entered into the Royalty Rights Agreements with each of the Note Holders granting the Note Holders a tiered royalty between 1.0% and 2.0% of annual worldwide net sales of Anaphylm (dibutepinephrine) sublingual film for a period of eight years from the first sale of Anaphylm on a global basis. The Note Holders are also entitled to a tiered royalty between 1.0% to 2.0% of annual worldwide net sales of Libervant until the earlier of (1) the first sale of Anaphylm and (2) eight years from the first sale of Libervant. These royalty agreements are classified as debt, and the value of the \$45,000 13.5% Notes has been allocated between debt and the Royalty Obligations based on their relative fair market values. The excess of future estimated royalty payments over the allocated fair value is recognized as a discount related to the Royalty Right Agreements and is amortized as interest expense using the effective interest method. The Royalty Rights Agreements are discussed in Note 13, *Long-Term Debt* to our Condensed Financial Statements.

Interest Expense related to the Sale of Future Revenue

On November 3, 2020, we entered into the Monetization Agreement with Marathon. Under the terms of the Monetization Agreement, we sold to Marathon all of our contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI[®], an apomorphine film therapy for the treatment of off episodes in Parkinson's disease patients, which received approval from the FDA on May 21, 2020. In exchange for the sale of these rights, we received an upfront payment from Marathon of \$40,000 and an additional payment of \$10,000 through the achievement of the first milestone. We have received an aggregate amount of \$50,000 through June 30, 2026 under the Monetization Agreement.

Under the Monetization Agreement, additional contingent payments of up to \$75,000 may be due to us upon the achievement of worldwide royalty and other commercial targets within a specified timeframe, which could result in total potential proceeds of \$125,000. In June 2023, Sunovion announced that it has voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets, therefore, we likely will not receive any of the additional contingent payments under the Monetization Agreement. We discontinued recording interest expense related to the sale of future revenue under the Monetization Agreement in the fourth quarter of 2022.

During the second quarter of 2020, under the Sunovion License Agreement, we recognized \$8,000 of royalty revenue and corresponding royalty receivable, related to the \$1,000 annual minimum guaranteed royalty that is due in each of the subsequent eight years. In connection with the Monetization Agreement, we performed an assessment under ASC 860, *Transfer and Servicing* to determine whether the existing receivable was transferred to Marathon and concluded that the receivable was not transferred. See Note 15, *Sale of Future Revenue*, to our Condensed Financial Statements for further detail.

Interest Income and other income, net

Interest income and other income, net consists of earnings derived from interest-bearing accounts, money market Treasury mutual funds, and other miscellaneous income and expense items including expenses associated with the issuance of the RTW Warrants. These interest-bearing accounts have no minimum amounts to be maintained in the accounts for which interest and dividends are earned.

Results of Operations

Comparison of the Three and Six Months Ended June 30, 2026 and 2025

Revenues:

The following table sets forth our revenue data for the periods indicated.

(In thousands, except %)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
Manufacture and supply revenue	\$ 11,911	\$ 9,583	\$ 2,328	24%	\$ 20,704	\$ 16,776	\$ 3,928	23%
License and royalty revenue	1,326	839	487	58 %	6,721	1,629	5,092	313 %
Co-development and research fees	582	378	204	54 %	840	796	44	6 %
Proprietary product revenue, net	—	(797)	797	N/M	—	(478)	478	N/M
Total revenues	<u>\$ 13,819</u>	<u>\$ 10,003</u>	<u>\$ 3,816</u>	<u>38 %</u>	<u>\$ 28,265</u>	<u>\$ 18,723</u>	<u>\$ 9,542</u>	<u>51 %</u>

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

For the three months ended June 30, 2026, total revenues increased 38%, or \$3,816, compared to the same period in the prior year primarily due to increases in manufacture and supply revenue, license and royalty revenue, and proprietary product revenue, net.

Manufacture and supply revenue increased approximately 24%, or \$2,328, for the three months ended June 30, 2026 compared to the same period in the prior year. This increase was primarily due to higher Suboxone revenues of approximately \$4,600, partially offset by lower Ondif revenues of approximately \$2,200.

License and royalty revenue increased 58%, or \$487, for the three months ended June 30, 2026 compared to the same period in the prior year. This increase was primarily due to the recognition of royalty revenue from Zevra.

Co-development and research fees increased 54%, or \$204, for the three months ended June 30, 2026 compared to the same period in the prior year. This increase was driven by the timing of the achievement of research and co-development performance obligations which are expected to fluctuate among reporting periods.

Proprietary product revenue, net increased by \$797 for the three months ended June 30, 2026 compared to the same period in the prior year. This increase was primarily due to the change in the estimated returns allowance provision in the prior year period due to the withdrawal of the product as U.S. market access ended in April 2025.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

For the six months ended June 30, 2026, total revenues increased 51%, or \$9,542, compared to the same period in the prior year primarily due to increases in manufacture and supply revenue, license and royalty revenue, and proprietary product revenue, net.

Manufacture and supply revenue increased approximately 23%, or \$3,928, for the six months ended June 30, 2026 compared to the same period in the prior year. This increase was primarily due to higher Suboxone revenues of approximately \$7,200, partially offset by lower Ondif revenues of approximately \$3,700.

License and royalty revenue increased 313%, or \$5,092, for the six months ended June 30, 2026 compared to the same period in the prior year. This increase was primarily due to the recognition of royalty revenue from Zevra.

Co-development and research fees for the six months ended June 30, 2026 increased 6%, or \$44 compared to the same period in the prior year. This increase was driven by the timing of the achievement of research and co-development performance obligations which are expected to fluctuate among reporting periods.

Proprietary product revenue, net increased by \$478 for the six months ended June 30, 2026 compared to the same period in the prior year. This increase was primarily due to the change in the estimated returns allowance provision in the prior year period due to the withdrawal of the product as U.S. market access ended in April 2025.

Expenses, Interest Income and Other Income:

The following table sets forth our expenses and income for the periods indicated.

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
<i>(In thousands, except %)</i>								
Manufacture and supply	\$ 4,017	\$ 4,561	\$ (544)	(12%)	\$ 7,486	\$ 8,213	\$ (727)	(9%)
Research and development	3,962	4,105	(143)	(3) %	8,166	9,466	(1,300)	(14) %
Selling, general and administrative	14,063	12,705	1,358	11 %	25,040	31,777	(6,737)	(21) %
Loss on extinguishment of debt	11,683	—	11,683	N/M	11,683	—	11,683	N/M
Interest expense	2,807	2,781	26	1 %	5,710	5,563	147	3 %
Interest expense related to royalty obligations	972	1,434	(462)	(32) %	1,945	2,871	(926)	(32) %
Interest expense related to the sale of future revenue	61	61	—	— %	121	120	1	1 %
Interest income and other income, net	(882)	(2,096)	1,214	(58) %	(965)	(2,809)	1,844	(66) %

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Manufacture and supply costs and expenses decreased 12%, or \$544, for the three months ended June 30, 2026 compared to the same period in the prior year. The decrease in manufacture and supply costs was due to changes in product mix.

Research and development expenses decreased 3% or \$143 for the three months ended June 30, 2026 compared to the same period in the prior year. The decrease in R&D expenses is primarily due to lower development and manufacturing costs associated with the Anaphylm program, partially offset by increases in preclinical costs associated with AQST-108.

The tables below provide a breakdown of the major costs included in total R&D expenses and project costs by type of expense for each of the main clinical development projects in which we are engaged for each period presented:

	Three Months Ended June 30,		Change	
	2026	2025	\$	%
<i>(In thousands)</i>				
Clinical Trials	\$ 1,069	\$ 1,002	\$ 67	7 %
Development and Manufacturing	(124)	85	(209)	N/M
Product Research Expenses	262	307	(45)	(15%)
Total Project Expenses	1,207	1,394	(187)	(13) %
Preclinical	272	95	177	186%
R&D personnel costs	1,868	1,810	58	3%
Consulting and outside services	77	61	16	26%
Share-based compensation	313	408	(95)	(23%)
Depreciation/amortization	14	16	(2)	(13%)
All other R&D	211	321	(110)	(34%)
Total	\$ 3,962	\$ 4,105	\$ (143)	(3%)

The details of the project expenses are as follows:

	Three Months Ended June 30,								
	2026	2025		2026	2025		2026	2025	
	Total		% inc / dec	Anaphylm		% inc / dec	AQST-108		% inc / dec
Clinical Trials	\$ 1,069	\$ 1,002	7%	\$ 917	\$ 822	12%	\$ 152	\$ 180	(16)%
Development and Manufacturing	(124)	85	N/M	(124)	75	N/M	—	10	(100)%
Product Research Expenses	262	307	(15%)	262	307	(15%)	—	—	N/M
Total Project Expenses	<u>\$ 1,207</u>	<u>\$ 1,394</u>	(13%)	<u>\$ 1,055</u>	<u>\$ 1,204</u>	(12%)	<u>\$ 152</u>	<u>\$ 190</u>	(20)%

Total project expenses for Anaphylm decreased 12%, or \$149 over the comparable period in 2025. Anaphylm development and manufacturing expenses decreased by \$199, partially offset by increases in clinical trial costs of \$95. Total project expenses for AQST-108 decreased \$38, over the comparable period in 2025. AQST-108 clinical trial expenses decreased \$28 over the comparable period in 2025.

Selling, general and administrative expenses increased 11%, or \$1,358 for the three months ended June 30, 2026 as compared to the same period in the prior year. The increase primarily represents higher legal fees of approximately \$2,100, higher severance costs of approximately \$1,400 which includes acceleration of share-based compensation, higher personnel costs of approximately \$900, and higher share-based compensation expenses of approximately \$300 as well as other expenses, partially offset by lower commercial spending of approximately \$2,600, lower regulatory and licensing fees of approximately \$1,000 related to the regulatory fee for Libervant, and lower regulatory expenses related to Anaphylm of approximately \$240.

During the three months ended June 30, 2026, we recognized a loss on extinguishment of debt of \$11,683 resulting from the repayment of \$45,000 for the outstanding 13.5% Notes, which also included a prepayment penalty of \$3,825, exit fee of \$2,000, and other transaction fees. There was no loss on extinguishment of debt in the comparable period in 2025.

Interest expense was \$2,807 and \$2,781 for the three months ended June 30, 2026 and 2025, respectively. These amounts represent interest incurred on the Term Loan Facility, the 13.5% Notes prior to redemption, amortization of the debt and legal settlement discounts and capitalized debt issuance costs.

Interest expense related to amortization of the discount on the royalty obligations was \$972 and \$1,434 for the three months ended June 30, 2026 and 2025, respectively. These amounts are due to the accounting associated with the royalty obligations as part of the 13.5% Notes issuance. The decrease from the comparable period is due to a lower effective interest rate as a result from the update to the probability-weighted cash flows for future sales as of December 31, 2025.

Interest expense related to the sale of future revenue was \$61 for the three months ended June 30, 2026 and 2025, and represents amortization of the issuance costs. These amounts are due to the accounting associated with the sale of future revenue related to KYNMOBI royalties sold to Marathon on November 3, 2020 and do not represent or imply a monetary obligation or cash outflow at any time during the life of the transaction. In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets. Therefore, the Company likely will not receive any of the additional contingent payments under the Monetization Agreement. As a result, the Company discontinued recording interest expense related to the sale of future revenue in the fourth quarter of 2022. See Note 15, *Sale of Future Revenue* to our Condensed Financial Statements for details.

Interest income and other income, net decreased 58%, or \$1,214 for the three months ended June 30, 2026 as compared to the same period in the prior year. The decrease from the comparable period is primarily due to the ERTC credit received in April 2025.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Manufacture and supply costs and expenses decreased 9% or \$727 for the six months ended June 30, 2026 compared to the same period in the prior year. The decrease was largely due to changes in product mix.

R&D expenses decreased 14% or \$1,300 for the six months ended June 30, 2026 compared to the same period in the prior year. The decrease in R&D expenses is primarily due to a decrease in clinical trial costs and product research expenses associated with the Anaphylm program, and decreases in share-based compensation, partially offset by increases in personnel costs and increases in clinical trial costs associated with AQST-108. The tables below provide a breakdown of the major costs included in total R&D expenses and project costs by type of expense for each of the main clinical development projects in which we are engaged for each period presented:

	Six Months Ended June 30,											
	2026		2025		2026		2025		2026		2025	
	Total		% inc / dec		Anaphylm		% inc / dec		AQST-108		% inc / dec	
Clinical Trials	\$ 2,294	\$ 3,103	(26%)	\$	1,588	\$ 2,744	(42)%	\$	706	\$ 359	97%	
Development and Manufacturing	19	101	(81%)		15	75	(80%)		4	26	(85)%	
Product Research Expenses	537	873	(38%)		537	873	(38%)		—	—	N/M	
Total Project Expenses	\$ 2,850	\$ 4,077	(30%)	\$	2,140	\$ 3,692	(42)%	\$	710	\$ 385	84%	

Selling, general and administrative expenses decreased 21% or \$6,737 for the six months ended June 30, 2026 as compared to the same period in the prior year. The decrease primarily represents lower commercial spending of approximately \$4,500, the one-time Anaphylm PDUFA fee of \$4,310 in the prior year period, lower legal fees of approximately \$1,300, lower regulatory and licensing fees of approximately \$1,500 related to the regulatory fee for Libervant, and lower regulatory expenses related to Anaphylm of approximately \$400, partially offset by higher severance costs of approximately \$2,000, which includes acceleration of share-based compensation, higher personnel costs of approximately \$1,400, and higher share-based compensation expenses of approximately \$800 as well as other expenses.

Interest expense was \$5,710 and \$5,563 for the six months ended June 30, 2026 and 2025, respectively. These amounts represent interest incurred on the Term Loan Facility, the 13.5% Notes prior to redemption, amortization of the debt and legal settlement discounts and capitalized debt issuance costs.

Interest expense related to the sale of future revenue was \$121 and \$120 for the six months ended June 30, 2026 and 2025, respectively, and represents amortization of the issuance costs. These amounts are due to the accounting associated with the sale of future revenue related to KYNMOBI royalties sold to Marathon on November 3, 2020 and do not represent or imply a monetary obligation or cash outflow at any time during the life of the transaction. In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets. Therefore, the Company likely will not receive

any of the additional contingent payments under the Monetization Agreement. As a result, the Company discontinued recording interest expense related to the sale of future revenue in the fourth quarter of 2022. See Note 15, *Sale of Future Revenue* to our Condensed Financial Statements for details.

Interest and other income, net was \$965 and \$2,809 for the six months ended June 30, 2026 and 2025, respectively. The decrease from the comparable period is primarily due to the ERTC credit received in April 2025 and the expenses associated with the issuance of the RTW Warrants recognized within other expenses during the current period.

Liquidity and Capital Resources

Sources of Liquidity

We had \$98,490 in cash and cash equivalents as of June 30, 2026. While our ability to execute our business objectives and achieve profitability over the longer term cannot be assured, our on-going business, existing cash and cash equivalents, expense management activities, potential asset sales or product outlicensing as well as access to the equity capital markets, including through the ATM facility, provide near term liquidity for us to fund our operating needs for at least the next twelve months as we continue to execute our business strategy.

We established our first ATM facility in September 2019, and since inception to June 30, 2026, we have sold 28,506,216 shares of Common Stock which has generated net cash proceeds of approximately \$86,518, net of commissions and estimated other transactions costs of \$4,188. On April 3, 2024, we filed a new shelf registration statement on Form S-3 to register the offer and sale of up to \$250,000 worth of shares of Common Stock, preferred stock, debt securities, warrants, rights and units ("Registration Statement No. 333-278498" or the "2024 Registration Statement"), that was effective by the SEC on April 23, 2024. Included as part of the 2024 Registration Statement was a \$100,000 ATM facility prospectus covering the offering, issuance and sale of Common Stock pursuant to the Amended Equity Distribution Agreement with Piper Sandler & Co.

During the three months ended June 30, 2026, there were no shares of Common Stock sold under the ATM facility. For the six months ended June 30, 2026, the Company sold 1,191,071 shares of Common Stock under the ATM facility, which provided net proceeds of approximately \$4,765 after deducting commissions and estimated other transaction costs of \$297. During the three months ended June 30, 2025, there were no shares of Common Stock sold under the ATM facility. For the six months ended June 30, 2025, the Company sold 7,457,627 shares under the ATM facility which provided net proceeds of approximately \$21,271 after deducting commissions and other transaction costs of \$729. The remaining authorized balance of the ATM facility was approximately \$73,000 as of June 30, 2026.

In August 2023, we entered into the Letter Agreement with the Exercising Holder of 5,000,000 of the remaining Common Stock Warrants pursuant to the Securities Purchase Agreement dated June 6, 2022. Pursuant to the Letter Agreement, the Exercising Holder and Aquestive agreed that the Exercising Holder would exercise all of its Existing Warrants at the then current exercise price of the Existing Warrants. The Exercising Holder subsequently exercised the Existing Warrants, with Aquestive receiving gross proceeds of \$4,800. We also issued to the Exercising Holder New Warrants to purchase up to an aggregate of 2,750,000 shares of Common Stock. The New Warrants are exercisable after February 2, 2024, expire on February 2, 2029 and are exercisable only for cash, unless the shares of Common Stock underlying the New Warrants are not registered in accordance with the terms of the Letter Agreement, in which case the New Warrants may also be exercised by means of a "cashless exercise". The New Warrants have an exercise price of \$2.60 per share. During 2025, 550,000 shares were issued upon the exercise of the New Warrants with the Company receiving proceeds of \$1,430.

On November 1, 2023, we issued \$45,000 aggregate principal amount of its 13.5% Notes due November 1, 2028. A portion of the net proceeds from that offering was used to repay all of the outstanding 12.5% Notes and to pay expenses relating to that offering, with the balance of the proceeds to be used for general corporate purposes. Interest on the 13.5% Notes accrued at a rate of 13.5% per annum and was payable quarterly in arrears on March 30, June 30, September 30 and December 30 of each year commencing on December 30, 2023. The 13.5% Notes were interest-only until June 30, 2026, whereupon on such date and each payment date thereafter we would have paid an installment of principal of the 13.5% Notes pursuant to a fixed amortization schedule, along with a portion of an exit fee determined as of the applicable date of prepayment, payment, acceleration, repurchase or redemption, as the case may be. On May 12, 2026, we issued the Term Loan Facility and used the proceeds from the issuance to repay the outstanding principal balance under the 13.5% Notes of \$45,000, and \$2,000 exit fee. We also incurred a prepayment penalty of \$3,825 and other transaction expenses. We recognized a loss on extinguishment of debt of \$11,683 on the accompanying Condensed Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2026.

On August 13, 2025, we entered into a purchase and sale agreement with funds managed by RTW Investments LP. Under the terms of the Purchase Agreement, in exchange for the Purchaser's payment to the Company of a purchase price of \$75,000, upon approval of Anaphylm by the FDA by a specified date, the refinancing of the Company's existing 13.5% Notes and certain other customary conditions, the Company agreed to a sale of assigned interests to the Purchaser, including a right

for the Purchaser to tiered revenue share payments ranging from 1.0% to 7.5% of net sales (as defined in the Purchase Agreement) of Anaphylm (and 9.5% for the subsequent calendar year period if net sales do not achieve specified level in a calendar year period beginning in 2027) in the United States. Revenue share payments commence in the first fiscal quarter in which the first commercial sale of Anaphylm in the United States after the closing of the transaction. Revenue share payments will cease upon the Purchaser's receipt of \$187,500 by December 31, 2035 or \$225,000 thereafter. The Purchase Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict the Company's ability to, among other things, incur indebtedness (which restrictions are eliminated after the achievement by the Purchaser of a specified return on its investment), and other provisions customary for transactions of this nature, in each case subject to certain exceptions set forth in the Purchase Agreement.

On August 14, 2025, we completed the 2025 Underwritten Public Offering of 21,250,000 shares of our Common Stock at the public offering price of \$4.00 per share. Net proceeds from the 2025 Underwritten Public Offering were \$79,900, after deducting underwriting discounts of \$5,100. In addition to the underwriting discounts related to this offering, we incurred professional fees and other costs totaling \$440.

On March 3, 2026, in connection with the Amendment No.1 to the Purchase and Sale Agreement and the Equity Commitment Agreement with RTW, the Company also entered into the Warrant Issuance Agreement with the RTW investors. Pursuant to this agreement, the Company issued to the RTW Investors the RTW Warrant to purchase up to an aggregate of 375,000 shares of the Company's Common Stock at an exercise price of \$4.00 per share. The Warrant is exercisable at any time from the issuance date through March 3, 2029. For additional information regarding the RTW Warrants, see Note 14, *Warrants* to the accompanying Condensed Financial Statements.

On May 12, 2026, we entered into the Credit Agreement with Oaktree Fund Administration, LLC, as administrative agent, and certain funds managed by Oaktree Capital Management, L.P., which provided a Term Loan Facility of up to \$150,000. The Term Loan Facility consists of a Tranche A term loan in an aggregate principal amount of \$55,000 that was funded on May 12, 2026, a Tranche B term loan in an aggregate principal amount of \$20,000 available subject to certain terms and conditions, a Tranche C term loan in an aggregate principal amount of \$25,000 available subject to certain terms and conditions, and a Tranche D term loan advance available upon the mutual consent of the lenders and subject to certain terms and conditions in an aggregate principal amount of up to \$50,000. A portion of the proceeds of the Tranche A term loan was used by us on May 12, 2026 to repay in full the existing outstanding indebtedness owed by us to the noteholders under an indenture with U.S. Bank Trust Company, National Association. The remaining proceeds of the Tranche A term loan and proceeds of any additional tranches drawn will be used for general corporate and working capital purposes.

The Tranche B term loan may be borrowed, subject to customary terms and conditions, after the date we receive marketing approval from the FDA for AnaphylmTM's NDA, provided that such approval is received prior to June 30, 2027. The Tranche C term loan will be available, subject to customary terms and conditions (including the prior borrowing of the Tranche B term loan), during the period commencing following the date Oaktree Fund Administration, LLC receives certification of our achievement of a specified net sales milestone by December 31, 2027. The Tranche D term loan will be made available upon the mutual consent of the lenders and us. Amounts repaid under the Term Loan Facility may not be reborrowed. The Term Loan Facility matures on May 12, 2031 and does not require principal amortization payments. Accordingly, the total outstanding principal balance is payable at maturity. The obligations under the Credit Agreement are secured by a first-priority lien on substantially all of our assets, including intellectual property, subject to customary exceptions. See Note 13, *Long-Term Debt* to the accompanying Condensed Financial Statements.

On May 12, 2026, in connection with the Credit Agreement with Oaktree, we also entered into the Oaktree Warrant Issuance Agreement, pursuant to which the Company agreed to issue warrants to purchase shares of its Common Stock in amounts equal to (i) (x) 1.75% of the aggregate principal amount of the Tranche A term loan (y) divided by the volume weighted average price for the 30 trading days prior to May 12, 2026 (the "Tranche A VWAP") and (ii) for the Tranche B and Tranche C draw-downs, (x) 1.75% of the aggregate principal amount of the drawn-down tranche (y) divided by the lower of the (1) the Tranche A VWAP and (2) the VWAP for the 30 days prior to the funding of such tranche (the "Subsequent Tranche VWAP"). The exercise price of the warrants will be the Tranche A VWAP for the Tranche A Warrants and the lower of (1) the Tranche A VWAP for the Tranche A Warrants and (2) the Subsequent Tranche VWAP for the subsequent tranche draw-downs, and the warrants will have a term of five years from their initial issuance. The Company has agreed to register the warrant shares on the terms set forth in the Oaktree Warrant Issuance Agreement. We issued to Oaktree, the Tranche A Warrant to purchase up to an aggregate of 230,271 shares of our Common Stock at an exercise price of \$4.18 per share. The Tranche A Warrant is exercisable at any time from the issuance date through May 12, 2031. Pursuant to the Oaktree Warrant Issuance Agreement, the Company will be obligated to issue additional warrants if additional tranches are drawn down under the Term Loan Facility. See Note 14, *Warrants* to the accompanying Condensed Financial Statements.

Six Months Ended June 30, 2026 and 2025

(in thousands)	Six Months Ended June 30,	
	2026	2025
Net cash used for operating activities	\$ (24,247)	\$ (31,314)
Net cash used for investing activities	(264)	(242)
Net cash provided by financing activities	1,832	20,546
Net decrease in cash and cash equivalents	<u>\$ (22,679)</u>	<u>\$ (11,010)</u>

Net cash used for operating activities

Net cash used for operating activities for the six months ended June 30, 2026 decreased by \$7,067 compared to the same period in the prior year. The decrease in cash used for operating activities was primarily related to the decrease in net loss by \$5,557 and non-cash adjustments, including the one-time loss on extinguishment of debt of \$11,683. Other main drivers were decreases in trade and other receivables by \$12,913 due to timing of payments by customers and receipts related to the confidential legal settlement, partially offset by decreases in payables by \$22,982 mostly attributed to payments made under the confidential legal settlement and to vendors and other activities.

Net cash used for investing activities

Net cash used for investing activities for the six months ended June 30, 2026 increased by \$22 compared to the same period in the prior year. The use of cash was related to capital expenditures.

Net cash provided by financing activities

Net cash provided by financing activities for the six months ended June 30, 2026 decreased by \$18,714 compared to the same period in the prior year. The decrease was primarily related to the \$45,000 repayment of the 13.5% Notes, \$2,000 repayment of the exit fee, the \$3,887 premium paid to retire the 13.5% Notes, and \$3,470 paid in financing costs for the Term Loan Facility. There was also a decrease of \$16,556 in ATM proceeds due to lower volumes of Common Stock sold. These payments related to the redemption of the 13.5% Notes and the issuance of the Term Loan Facility and the lower ATM proceeds were partially offset by proceeds received of \$55,000 from the issuance of the Term Loan Facility and the Tranche A Warrant during the six months ended June 30, 2026.

Funding Requirements

Our on-going business, existing cash and equivalents, expense management activities as well as access to the equity capital markets, including through our ATM facility, and potential asset sales or product outlicensing potentially provide near term funding opportunities for Aquestive, see “Liquidity and Capital Resources”. On May 12, 2026 we issued \$55,000 in aggregate principal amount of the Term Loan Facility and used the proceeds from the issuance to repay the outstanding principal balance under the 13.5% Notes of \$45,000, and the \$2,000 exit fee. We also incurred a prepayment penalty of \$3,825 and other transaction expenses. We recognized a loss on extinguishment of debt of \$11,683 on the accompanying Condensed Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2026. The Term Loan Facility matures on May 12, 2031 and does not require amortization payments. Accordingly, the total outstanding principal balance is payable at maturity.

We have used and intend to continue to use our existing cash and cash equivalents, primarily to advance the development and commercialization of our product pipeline and for working capital, capital expenditures and general corporate purposes. We can provide no assurance that any sources of funding, either individually or in combination, will be available on reasonable terms, if at all, or sufficient to fund our business objectives. In addition, we may be required to utilize available financial resources sooner than expected. We have based our expectation on assumptions that could change or prove to be inaccurate, due to unrelated factors including factors arising in the capital markets, asset monetization markets, regulatory approval process, and regulatory oversight and other factors. Key factors and assumptions inherent in our planned continued operations and anticipated growth include, without limitation, those related to the following:

- continued ability of our customers to pay, in a timely manner, for presently contracted and future anticipated orders for our manufactured products, including effects of generics and other competitive pressures as currently envisioned;
- approval of Anaphylm by the FDA;
- continued ability of our customers to pay, in a timely manner, for presently contracted and future anticipated orders for provided co-development and feasibility services, as well as regulatory support services for recently licensed products;

- access to debt or equity markets if, and at the time, needed for any necessary future funding, including our ability to access funding through our ATM facility, should we choose to access this facility;
- continuing review and appropriate adjustment of our cost structure consistent with our anticipated revenues and funding;
- continued growth and market penetration of Sympazan, including anticipated patient and physician acceptance and our licensee's ability to obtain adequate reimbursement and payment support from government agencies and other private medical insurers;
- infrastructure and administrative costs at expected levels to support operations as an FDA and highly regulated public company;
- a manageable level of costs for ongoing efforts to protect our intellectual property rights and litigation matters in which we are involved; and
- absence of significant unforeseen cash requirements.

We expect to continue to manage business costs to appropriately reflect the anticipated general decline in Suboxone revenue, and other external resources or factors affecting our business including, if available, future equity financing, other future access to the capital markets or other potential available sources of liquidity. In doing so, we plan to continue to focus on the core drivers of value for our stockholders, including, more importantly, continued investments in our ongoing product development activities in support of Anaphylm and AQST-108. Until profitability is achieved, if at all, additional capital and/or other financing or funding will be required, which could be material, to develop and commercialize our product pipeline, including AQST-108, to fund additional development and commercial activities, and that are required by the FDA for Anaphylm under the CRL issued to the Company on January 30, 2026, and to meet our other cash requirements, including debt service. Even as such, we expect to incur losses and negative cash flows for the foreseeable future and, therefore, we expect to be dependent upon external financing and funding to achieve our operating plan.

The sufficiency of our short-term and longer-term liquidity is directly impacted by our level of operating revenues and our ability to achieve our operating plan for revenues, regulatory approval in the time period planned for our product candidates and licensed rights within planned timeframes, and there can be no assurance that we will be successful in any transaction. Our operating revenues have fluctuated in the past and can be expected to fluctuate in the future. We expect to incur significant operating losses and negative operating cash flows for the foreseeable future, and we have a significant level of debt, substantial ongoing interest payments, and royalty obligation payments projected to be made through 2035, which are further discussed in Note 13, *Long-Term Debt* to our Condensed Financial Statements. A substantial portion of our current and past revenues has been dependent upon our licensing, manufacturing and sales with one customer, Indivior, which is expected to continue, and it could take significantly longer than planned to achieve anticipated levels of cash flows to help fund our operations and cash needs.

We are currently engaging in plans to commercialize Anaphylm through our own sales force in the United States, should Anaphylm be approved by the FDA. We will need to raise significant funding to support the continued commercialization of Anaphylm over the long-term, in addition to the funds we may receive under the Purchase Agreement and the funds we received in the 2025 Underwritten Public Offering. To the extent such additional financing through debt or debt-like instruments is required, we may have increased repayment obligations and potential limits on our flexibility to raise additional debt. To the extent that we raise additional funds by issuance of equity securities, our stockholders would experience further dilution, and the terms of these securities could include liquidation or other preferences that would adversely affect our stockholders' rights. Our ability to secure additional equity financing could be significantly impacted by numerous factors including our operating performance and prospects, positive or negative developments in the regulatory approval process for our product candidates, our existing level of debt which is secured by substantially all of our assets under the Credit Agreement, and general financial market conditions, and there can be no assurance that we will continue to be successful in raising capital or that any such needed financing will be available on favorable or acceptable terms, if at all.

If adequate funds are not available for our short-term or longer-term liquidity needs and cash requirements as and when needed, we would be required to engage in expense management activities such as reducing staff, delaying, significantly scaling back, or even discontinuing some or all of our current or planned launch activities, R&D programs and clinical and other product development activities, and otherwise significantly reducing our other spending and adjusting our operating plan, and we would need to seek to take other steps intended to improve our liquidity. We also may seek outlicensing opportunities for our proprietary products and product candidate programs that we may self-commercialize, including for Libervant and Anaphylm, or explore other potential liquidity options or strategic opportunities. Such strategic opportunities could include asset sales, outlicensing or other monetization opportunities of our proprietary products and product candidates, including Libervant and Anaphylm, although we cannot assure that any of these actions or opportunities would be available or available on acceptable terms. While an outlicensing of our proprietary products and product candidates, if approved by the FDA, could

limit our exposure to the costs of commercialization of the product and provide a potential source of royalty and milestone revenues, the benefit from the potential future value that could result from our independent commercialization of these products and product candidates, assuming a successful launch of our proprietary products and product candidates, if approved by the FDA, would likely be limited. In addition, in the event of any such asset sales or outlicensing transactions, the future growth of the Company would be dependent on continued successful development of our early stage product candidates and/or asset acquisitions or other strategic transactions for the Company. There is no assurance that any such outlicensing or other strategic opportunities will be available or available on reasonable terms.

Off-Balance Sheet Arrangements

During the period presented, we did not have any material off-balance sheet arrangements, nor do we have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

As a “smaller reporting company” as defined by Item 10 of Regulation S-K promulgated by the SEC under the U.S. Securities Act of 1933, as amended, we are not required to provide the information required by this Item 3.

Item 4. *Controls and Procedures*

Management’s Evaluation of our Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act 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 to our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of June 30, 2026, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(b) and 13a-15(e) under the Exchange Act). 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 officer have concluded based upon the evaluation described above that, as of June 30, 2026, our disclosure controls and procedures were effective at a reasonable assurance level.

Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act), identified in connection with the evaluation of such internal control that occurred during our last fiscal quarter, 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

For more information on Legal Proceedings, see Part I Item 1. Financial Statements (Unaudited), Note 20, *Contingencies*.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully review and consider the information regarding certain risks and uncertainties facing the Company that could have a material adverse effect on our business prospects, financial condition, results of operations, liquidity and available capital resources set forth in Part I, Item 1A of Aquestive's 2025 Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Chief Development Officer Matthew Davis adopted a written sales plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act (the "Davis Plan") on May 26, 2026. The Davis Plan will commence on November 10, 2026 and ends on December 31, 2027. The maximum number of shares to be sold under the Davis Plan is 75,000 shares and no shares have been sold as of the date of this Report; the actual number of shares sold will be dependent on the satisfaction of certain conditions set forth in the Davis Plan.

Chief Commercial Officer Sherry Korczynski adopted a written sales plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act (the "Korczynski Plan") on June 10, 2026. The Korczynski Plan will commence on October 9 2026 and ends on May 31, 2027. The maximum number of shares to be sold under the Korczynski Plan is 57,992 shares and no shares have been sold as of the date of this Report; the actual number of shares sold will be dependent on the satisfaction of certain conditions set forth in the Korczynski Plan.

Item 6. Exhibits

The exhibits listed below are filed or furnished as part of this report.

Number	Description
4.1	Form of Warrant (filed as Exhibit 4.2 to the Registration Statement on Form S-3 of the Company as filed on June 26, 2026, and incorporated by reference herein).
10.1	Warrant Issuance Agreement, dated as of May 12, 2026, between Oaktree Capital Management, L.P. and Aquestive Therapeutics, Inc. (filed as Exhibit 10.1 to the Registration Statement on Form S-3 of the Company as filed on June 26, 2026, and incorporated by reference herein).
10.2 †	Credit Agreement and Guaranty, dated as of May 12, 2026, by and among Aquestive Therapeutics, Inc., the guarantors from time to time party thereto, the lenders from time to time party thereto, and Oaktree Fund Administration, LLC (filed as Exhibit 10.2 to the Registration Statement on Form S-3 of the Company as filed on June 26, 2026, and incorporated by reference herein).
10.3	Security Agreement, dated as of May 12, 2026, by and among Aquestive Therapeutics, Inc., the borrower's subsidiaries having acceded thereto pursuant to Section 24, and Oaktree Fund Administration, LLC (filed as Exhibit 10.3 to the Registration Statement on Form S-3 of the Company as filed on June 26, 2026, and incorporated by reference herein).
10.4 *†	Second Amendment to License Agreement, dated as of April 20, 2026, by and between Aquestive Therapeutics, Inc. and Atnahs Pharma UK Limited.
10.5 *	Lease Agreement dated May 8, 2026 by and between 184 Property Owner, LLC and Aquestive Therapeutics, Inc.
31.1 *	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a), as amended, under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2 *	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a), as amended, under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1 **	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 **	Certification of 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*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL document and contained in exhibit 101)

* Filed herewith.

** Furnished herewith.

†Certain portions of this exhibit have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K because the omitted information is (i) not material and (ii) the registrant customarily and actually treats that information as private or confidential. The registrant agrees to furnish supplementally an unredacted copy and its materiality and privacy or confidentiality analyses to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the County of Somerset, State of New Jersey.

Date:	August 11, 2026	Aquestive Therapeutics, Inc. (REGISTRANT)
		/s/ Daniel Barber
		Daniel Barber
		President and Chief Executive Officer
		(Principal Executive Officer)
Date:	August 11, 2026	
		/s/ A. Ernest Toth, Jr.
		A. Ernest Toth, Jr.
		Chief Financial Officer
		(Principal Financial Officer)

THE SYMBOL “[****]” DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL, AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

LICENSE AND SUPPLY SECOND AMENDMENT

This LICENSE AND SUPPLY SECOND AMENDMENT (“Second Amendment”) is entered into as of 20 April 2026 (the “Second Amendment Effective Date”) by and between Aquestive Therapeutics, Inc., a Delaware corporation having its principal place of business at 30 Technology Drive, Warren, New Jersey 07059 (“Aquestive”), and Atnahs Pharma UK Limited, a company registered in England and Wales having its principal place of business at Sovereign House, Miles Gray Road, Basildon, Essex SS14 3FR (“Pharmanovia”). Aquestive and Pharmanovia are sometimes referred to hereinafter individually as a “Party” and collectively as the “Parties.”

RECITALS:

A. Aquestive and Pharmanovia entered into a License and Supply Agreement related to the Product in certain territories as specified therein on September 26, 2022, which was subsequently amended by an Amendment Agreement dated 27 March 2023 (together, the “Agreement”).

B. Aquestive and Pharmanovia have agreed to enter into this Second Amendment in order to further amend certain terms of the Agreement.

C. In consideration of the foregoing and the mutual representations, warranties and covenants contained herein, the Parties, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS

Unless otherwise defined in this Second Amendment, capitalized terms used in this Amendment have the meanings ascribed to them in the Agreement.

2. AMENDMENT

2.1 With effect from the Second Amendment Effective Date, Aquestive and Pharmanovia hereby agree to make the following amendments to the Agreement.

2.2 Section 2.4.2 of the Agreement shall be deleted in its entirety and replaced with the following:

“2.4.2 Pharmanovia Use of Subcontractors. Subject to the terms of the Agreement, Aquestive acknowledges and agrees that Pharmanovia may exercise its rights or perform its obligations

including the right to Develop (as set forth in Section 4.3) and Commercialize, including to prepare and file Regulatory Approval Applications, to register the Product with the applicable Regulatory Authorities within the Field and to hold Regulatory Approvals, and distribute the Product in the Territory under this Agreement through one or more subcontracts for distribution with Third Parties selected by Pharmanovia; provided that, Pharmanovia will remain fully responsible for the performance of all obligations delegated to the subcontractor including responsibility for the work allocated to, and payment to, such Third Parties to the same extent it would if it had done such work itself. Pharmanovia shall remain responsible for all pharmacovigilance activities and providing data and regulatory documentation as requested by Aquestive. Prior to the appointment by Pharmanovia of any subcontractor for distribution, Pharmanovia shall inform Aquestive. Prior to the sharing of Aquestive IP or Aquestive Know How by Pharmanovia to any third party for any purpose, including to subcontractors for distribution, Pharmanovia shall request Aquestive's pre-approval in writing. Aquestive's pre-approval shall not be unreasonably withheld, conditioned or delayed. Aquestive shall respond in writing to Pharmanovia's written request within [****] Business Days. If Aquestive has not responded in writing within [****] Business Days, then Aquestive shall be deemed to have approved Pharmanovia's request .

For the avoidance of doubt, in this Agreement a "subcontract for distribution" refers to a commercial arrangement in which responsibility for Product resale, together with the associated commercial and credit risks, passes from Pharmanovia to its distributor."

2.3 Sections 2.5.1 and 2.5.2 of the Agreement shall be deleted in their entirety and replaced with the following which shall also include a new Section 2.5.2A:

"2.5.1 Subject to the terms and conditions of this Agreement, Aquestive hereby grants to Pharmanovia, and Pharmanovia hereby accepts as to the Product in the Field in the Territory: (a) a non-exclusive, non-transferable, non-sublicensable (save as permitted in this clause 2.5.1) license to use the Aquestive Marks (excluding the Aquestive Product Mark(s)); and (b) an exclusive, non-transferable, non-sublicensable (save as permitted in this clause 2.5.1) license to use the Aquestive Product Mark(s), in each case, solely in conjunction with the Commercialization of the Product in the Field in the Territory and solely for such uses as are specifically approved in writing by Aquestive (which uses Aquestive hereby confirms includes use of the Aquestive Marks to identify Aquestive as the manufacturer of the Product if so required by Applicable Laws). Pharmanovia may sublicense the Aquestive Marks and Aquestive Product Marks to Subcontractors appointed by Pharmanovia and notified or approved (as applicable) by Aquestive in accordance with clause 2.4.2. and solely for such uses as are specifically approved in writing by Aquestive. For the avoidance of doubt there is no obligation on Pharmanovia to apply the Aquestive Marks to the Product packaging, except as required by Applicable Law.

"2.5.2 Aquestive hereby confirms that Pharmanovia and its notified/approved (as applicable) Subcontractors may apply the Pharmanovia Marks to the Product. Subject to the terms and conditions of this Agreement, Pharmanovia hereby grants to Aquestive, and Aquestive hereby accepts, a non-exclusive, non-transferable, non-sublicensable license to use the Pharmanovia Marks solely in conjunction with the labeling and specified packaging of Product for Supply in the Field in the Territory and solely as such are approved in writing by Pharmanovia.

“2.5.2A Pharmanovia shall notify Aquestive from time to time of its intention to use the Aquestive Marks and Aquestive Product Marks in any country in the Territory in addition to those countries covered by EUTM for Libervant with registration number 017599499 and the United Kingdom. Pharmanovia shall provide Aquestive the names of such additional countries (the “Additional Mark Countries”) in which the Aquestive Marks and Aquestive Product Marks are intended to be used and shall provide such assistance as Aquestive may reasonably require in preparing and filing appropriate applications for protection of the Aquestive Marks and Aquestive Product Marks in such countries. Pharmanovia shall be responsible for the reimbursement to Aquestive of all reasonable local counsel and filing fees for the prosecution and maintenance of trademark applications in such Additional Mark Countries where Aquestive determines that protection is appropriate. For the avoidance of doubt, Pharmanovia shall not be responsible for the reimbursement to Aquestive of any costs incurred by Aquestive in the prosecution and maintenance of the Aquestive Marks and Aquestive Product Marks in any country covered by EUTM for Libervant with registration number 017599499 and in the United Kingdom. Pharmanovia shall not file any trademark applications in any country in the Territory for marks that are identical to or confusingly similar to the Aquestive Marks or Aquestive Product Marks.”

2.4 Section 5.2.2 of the Agreement shall be deleted in its entirety and replaced with the following:

“5.2.2 Notwithstanding the foregoing, if, at any time after [****], Pharmanovia can establish by competent evidence that its Profit/Net Sales in respect of the Product [****] month basis has fallen below [****] in those countries in the Territory in which the Product is Commercialised directly by Pharmanovia (and not via one or more “subcontractors for distribution” (as that term is defined in clause 2.4.2)) then, at Pharmanovia’s request, the Parties agree that for future Purchase Orders relating to those countries:

5.2.2.1 the Product Transfer Price shall be equal to COGS plus [****]; and

5.2.2.2 no further Royalty payments shall be made by Pharmanovia and Pharmanovia shall instead pay to Aquestive a Profit Share as further set out in Section 7.3.

If a Purchase Order includes Product intended for more than one country, then the provisions in this clause 5.2.2 shall apply only in respect of Product intended for those countries in which the Product is Commercialised directly by Pharmanovia.”

2.5 Section 5.3.5 of the Agreement shall be deleted in its entirety and replaced with the following:

“5.3.5 Aquestive shall deliver Products set forth in each Purchase [****] to Pharmanovia’s designated carrier as specified by Pharmanovia in the applicable Purchase Order or otherwise notified in writing to Aquestive by Pharmanovia at least thirty (30) days prior to the applicable delivery date set forth in such Purchase Order. Aquestive shall be responsible for clearing the Product for export with the United States Drug Enforcement Administration (DEA form 236), and any associated duties, taxes or fees associated with export clearance shall be billed to Pharmanovia by Aquestive. Accordingly, Aquestive shall act as exporter of record and shall be responsible for obtaining any and all required export permits. Pharmanovia shall be responsible for clearing the Product for import, including transit through any third countries, to the applicable destination

country. Title to the Products shall pass to Pharmanovia on delivery free of any security, charge, interest, lien or other encumbrance.”

2.6 Section 5.8 of the Agreement shall be deleted in its entirety and replaced with the following:

“5.8 Return of Non-Conforming Product. Notwithstanding any other provisions of this Agreement to the contrary, Pharmanovia agrees to return to Aquestive (or at Aquestive’s written direction, to its contractors) or dispose of such Product as Aquestive may direct in writing to Pharmanovia any Product, in any such case at Aquestive’s sole cost, that: (a) does not conform with the Product Requirements at the time of delivery (as delivered in accordance with Section 5.3.5); (b) to the extent is not in compliance with the Purchase Order as set forth in Section 5.6; or (c) if Pharmanovia and Aquestive mutually agree in writing. Aquestive shall be responsible for the costs associated with the return and proper disposal of all such Product to the extent not in conformance with the Product Requirements and Purchase Order at the time of shipment and Pharmanovia’s sole remedy for such shipment of non-conforming Product is replacement thereof by Aquestive with Product conforming to Product Requirements (at Aquestive’s sole cost including shipping costs incurred by Pharmanovia). Notwithstanding the foregoing, Aquestive shall not be responsible for any costs associated with the return and proper disposal of any such Product that is in conformance with the Specifications and Purchase Order at the time of shipment including but not limited to where such non-conformance arose after the time of shipment due to any act or omission of Pharmanovia or a Third Party.”

2.7 Section 5.11 of the Agreement shall be deleted in its entirety and replaced with the following:

“5.11 Aquestive Quality Agreement. In connection with the Supply activities of the Product under this Agreement, prior to the first commercial sale, Pharmanovia and Aquestive will enter into a written quality assurance agreement, reasonably acceptable to both Parties, which details the obligations of each Party with respect to the Supply of the Product by Aquestive (the “Quality Agreement”). The definitive terms and conditions for such detailed quality assurance obligations shall be discussed in good faith and agreed upon between Pharmanovia and Aquestive separately in the Quality Agreement, which shall thereupon be incorporated by reference into and made a part of this Agreement. In the event of conflict between terms of the Quality Agreement and the terms of this Agreement, the terms of this Agreement will govern.”

2.8 Section 5.12 of the Agreement shall be deleted in its entirety and replaced with the following:

“5.12 Adverse Event and Safety Reporting. Prior to the first commercial sale, the Parties will enter into a written Safety Data Exchange Agreement with respect to the Product which shall thereupon be incorporated by reference into and made part of this Agreement (the “Safety Data Exchange Agreement”). In the event of conflict between terms of the Safety Data Exchange

Agreement and the terms of this Agreement, the terms of this Agreement will govern. Notwithstanding anything to the contrary contained in this Agreement, Pharmanovia shall be solely responsible for making all reports of Adverse Events to the applicable Regulatory Authority.”

2.9 Part 3 (AQUESTIVE PRODUCT MARKS) of Product Schedule 1 of the Agreement shall be deleted in its entirety and replaced with the following:

“3. AQUESTIVE PRODUCT MARKS

The Aquestive Product Marks are set forth below:

Libervant (word)

Libervant design



”

2.10 Part 7.7 (Minimum Volume Commitments) of Product Schedule 1 of the Agreement shall be deleted in its entirety and replaced with the following:

“7.7 Minimum Volume Commitments

Time Period		Minimum Volume Commitment in the Original Territories	Minimum Volume Commitment in Australia and New Zealand	Minimum Volume Commitment in the Original Territories in LATAM	APAC Minimum Volume Commitment in APAC (i.e. excluding Australia and New Zealand)	Minimum Volume Commitment in all other territories
1.	Commercialization Year 1	None	None	None	None	None
2.	Commercialization Year 2	[****]	[****]	[****]	[****]	[****]
3.	Commercialization Year 3	[****]	[****]	[****]	[****]	[****]
4.	Commercialization Year 4	[****]	[****]	[****]	[****]	[****]
5.	Commercialization Year 5 and beyond	[****]	[****]	[****]	[****]	[****]

In the event Pharmanovia fails to meet the Minimum Volume Commitment set forth above for a given time period, Pharmanovia shall have the option to make up the shortfall in the number of Units purchased by no later than June 30 following the end of the time period.”

3. TERMS AND CONDITIONS

Except as provided herein, all other terms and conditions of the Agreement shall remain in full force and effect.

4. COUNTERPARTS; SIGNATURES

This Amendment may be executed in multiple counterparts, all of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document. Signatures provided by facsimile or e-mail transmission shall be deemed to be original signatures.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their duly authorized representatives, effective as of the Effective Date of this Second Amendment.

AQUESTIVE THERAPEUTICS, INC.

ATNAHS PHARMA UK LIMITED

By: /s/ Cassie Jung
Name: Cassie Jung
Title: Chief Operating Officer

By: /s/ Neeshe Williams
Name: Neeshe Williams
Title: Director

LEASE AGREEMENT

BETWEEN

184 PROPERTY OWNER, LLC,
a New Jersey limited liability company,

LANDLORD,

-AND-

AQUESTIVE THERAPEUTICS, INC.,
a Delaware corporation,

TENANT

DATED: MAY 8, 2026

TABLE OF CONTENTS

	Page
ARTICLE 1	DEFINITIONS..... 4
ARTICLE 2	DEMISE, TERM..... 5
ARTICLE 3	BASIC RENT; ADDITIONAL RENT 6
ARTICLE 4	REAL ESTATE TAXES 7
ARTICLE 5	OPERATING EXPENSES 10
ARTICLE 6	ELECTRICITY 12
ARTICLE 7	MAINTENANCE; ALTERATIONS; REMOVAL OF TRADE FIXTURES 13
ARTICLE 8	USE OF PREMISES..... 15
ARTICLE 9	LANDLORD’S SERVICES 16
ARTICLE 10	COMPLIANCE WITH REQUIREMENTS 20
ARTICLE 11	COMPLIANCE WITH ENVIRONMENTAL LAWS 21
ARTICLE 12	DISCHARGE OF LIENS 23
ARTICLE 13	PERMITTED CONTESTS 23
ARTICLE 14	INSURANCE; INDEMNIFICATION..... 24
ARTICLE 15	ESTOPPEL CERTIFICATES 27
ARTICLE 16	ASSIGNMENT AND SUBLETTING 28
ARTICLE 17	CASUALTY 33
ARTICLE 18	CONDEMNATION..... 34
ARTICLE 19	EVENTS OF DEFAULT 35
ARTICLE 20	CONDITIONAL LIMITATIONS, REMEDIES 36
ARTICLE 21	ACCESS; RESERVATION OF EASEMENTS..... 39
ARTICLE 22	ACCORD AND SATISFACTION..... 40
ARTICLE 23	SUBORDINATION..... 40
ARTICLE 24	TENANT’S REMOVAL 42
ARTICLE 25	BROKERS 42
ARTICLE 26	NOTICES..... 43
ARTICLE 27	NONRECOURSE..... 43
ARTICLE 28	SECURITY DEPOSIT..... 44
ARTICLE 29	MISCELLANEOUS 45

TABLE OF CONTENTS
(continued)

	Page
ARTICLE 30 USA PATRIOT ACT.....	47
ARTICLE 31 EXTENSION OPTION	48
ARTICLE 32 EXPANSION OPTION	50
ARTICLE 33 RIGHT OF FIRST OFFER.....	52
ARTICLE 34 EARLY TERMINATION RIGHT	54
ARTICLE 35 GENERATOR	56
ARTICLE 36 ROOFTOP LABORATORY EQUIPMENT	59
ARTICLE 37 LANDLORD DEFAULT	61

LEASE AGREEMENT

This **LEASE AGREEMENT** (this “*Lease*”) is dated May 8, 2026 and is between **184 PROPERTY OWNER, LLC**, a New Jersey limited liability company (“*Landlord*”), and **AQUESTIVE THERAPEUTICS, INC.**, a Delaware corporation (“*Tenant*”).

BASIC LEASE PROVISIONS

- | | | |
|-----|------------------------------|---|
| (1) | Land: | Block 5, Lot 1.01 on the official tax map of Township of Warren, as more particularly described on <i>Schedule A</i> attached hereto. |
| (2) | Building: | 184 Liberty Corner Road, Township of Warren, State of New Jersey |
| (3) | Premises: | 19,345 rentable square feet on the third (3 rd) floor of the Building, as shown on <i>Schedule B</i> attached hereto. |
| (4) | Term: | The period commencing on the Commencement Date and ending on the Termination Date, inclusive |
| (5) | Commencement Date | The earlier of (i) the Occupancy Date, and (ii) September 1, 2026. |
| (6) | Basic Rent Commencement Date | The first (1 st) anniversary of the Commencement Date. |
| (6) | Termination Date: | The day immediately preceding the tenth (10th) anniversary of the Basic Rent Commencement Date, or such earlier date upon which the Term may expire or be terminated, provided, however, if Tenant exercises its extension option for the First Extension Period and/or the Second Extension Period, then the “Termination Date” shall be the day immediately preceding the fifteenth (15th) or twentieth (20 th) anniversary of the Basic Rent Commencement Date, as the case may be, or such earlier date upon which the Term may expire or be terminated; and provided further, however, if the day immediately preceding the tenth (10th), fifteenth (15 th) or twentieth (20 th) anniversary of the Basic Rent Commencement Date is not the last day of a calendar month, then the “Termination Date” shall be the last day of the calendar month in which such date occurs. |

(7) Basic Rent:

The Basic Rent shall be in the following amounts during the following time periods:

Time Period	Basic Rent Per Square Foot	Annual Basic Rent	Monthly Basic Rent
Commencement Date to the day immediately preceding the Basic Rent Commencement Date, inclusive	\$0.00	\$0.00	\$0.00
Basic Rent Commencement Date to the day immediately preceding the first (1 st) anniversary of the Basic Rent Commencement Date, inclusive	\$28.50	\$551,332.50	\$45,944.38
First (1 st) anniversary of the Basic Rent Commencement Date to the day immediately preceding the second (2 nd) anniversary of the Basic Rent Commencement Date, inclusive	\$29.00	\$561,005.00	\$46,750.42
Second (2 nd) anniversary of the Basic Rent Commencement Date to the day immediately preceding the third (3 rd) anniversary of the Basic Rent Commencement Date, inclusive	\$29.50	\$570,677.50	\$47,556.46
Third (3 rd) anniversary of the Basic Rent Commencement Date to the day immediately preceding the fourth (4 th) anniversary of the Basic Rent Commencement Date, inclusive	\$30.00	\$580,350.00	\$48,362.50
Fourth (4 th) anniversary of the Basic Rent Commencement Date to the day immediately preceding the fifth (5 th) anniversary of the Basic Rent Commencement Date, inclusive	\$30.50	\$590,022.50	\$49,168.54
Fifth (5 th) anniversary of the Basic Rent Commencement Date to the day immediately preceding the sixth (6 th) anniversary of the Basic Rent Commencement Date, inclusive	\$31.00	\$599,695.00	\$49,974.58
Sixth (6 th) anniversary of the Basic Rent Commencement Date to the day	\$31.50	\$609,367.50	\$50,780.63

immediately preceding the seventh (7 th) anniversary of the Basic Rent Commencement Date, inclusive			
Seventh (7 th) anniversary of the Basic Rent Commencement Date to the day immediately preceding the eighth (8 th) anniversary of the Basic Rent Commencement Date, inclusive	\$32.00	\$619,040.00	\$51,586.67
Eighth (8 th) anniversary of the Basic Rent Commencement Date to the day immediately preceding the ninth (9 th) anniversary of the Basic Rent Commencement Date, inclusive	\$32.50	\$628,712.50	\$52,392.71
Ninth (9 th) anniversary of the Basic Rent Commencement Date to the last day of the month in which the day immediately preceding the tenth (10 th) anniversary of the Basic Rent Commencement Date occurs, inclusive	\$33.00	\$638,385.00	\$53,198.75

- (8) Rentable Size of Building: 369,797 square feet.
- (9) Rentable Size of Premises: 19,345 square feet.
- (10) Tenant's Proportionate Share: 5.23%
- (11) Base Period: Calendar year 2026.
- (12) Parking Spaces: Five (5) assigned and reserved parking spaces in the location shown on ***Schedule G***.
Sixty three (63) unassigned parking spaces.
- (14) Security: \$137,833.00
- (15) Permitted Use: The Premises shall be used for executive and administrative offices and for laboratory and research and development associated with the development of pharmaceutical products and any lawfully permitted ancillary use thereto with respect to Tenant's pharmaceutical business. Tenant shall use the laboratory and research and development space in a manner that is compatible with office uses in Class A

multi-tenanted office buildings in northern New Jersey. Notwithstanding the foregoing, Tenant shall not be permitted to use all or any portion of the Premises for any vivarium use and no animals (dead or alive) shall be permitted within the Premises in connection with the Permitted Use.

- (16) Broker: Jones Lang LaSalle
- (17) Enumeration of Schedules / Appendix: ***Schedules A, B, C, D, D-1 E, F, G, H, I, J and K*** Appendix I attached hereto are incorporated into this Lease.
- (18) Governing Law: This Lease is governed by the laws of the State of New Jersey.
- (19) Landlord's Notice Address: 184 Property Owner, LLC
c/o GreenBarn Investment Group
53 Maple Avenue
Morristown, NJ 07960
Attention: General Counsel
- with a copy to:
- 184 Property Owner, LLC
c/o GreenBarn Investment Group
53 Maple Avenue
Morristown, NJ 07960
Attention: Property Management
- (20) Tenant's Notice Address: Prior to the Commencement Date:
Aquestive Therapeutics, Inc.
30 Technology Drive
Warren, NJ 07059
Attention: Thomas Zalewski, Chief Legal Officer
- From and after the Commencement Date:
At the Premises
Attention: Thomas Zalewski, Chief Legal Officer

ARTICLE 1 DEFINITIONS

1.1 **Capitalized Terms.** Capitalized terms used in this Lease but not otherwise defined have the meanings set forth in Appendix I.

ARTICLE 2
DEMISE, TERM

2.1 Demise of Premises. Landlord hereby leases and demises to Tenant, and Tenant hereby hires and takes from Landlord, upon the terms and conditions set forth herein, the Premises for the Term. Landlord and Tenant hereby agree that for all purposes of this Lease, the Premises contains 19,345 rentable square feet.

2.2 Term.

(a) Term: The Term of this Lease will commence on the Commencement Date and end on the Termination Date.

(b) Commencement Date. The “**Commencement Date**” is defined in Item 5 of the Basic Lease Provisions. Tenant acknowledges that the Commencement Date will occur pursuant to this Lease notwithstanding that Tenant may not yet have completed the Finish Work in accordance with **Schedule D** attached hereto. From and after the date of this Lease, Tenant will have the right to enter upon the Premises for the purposes of constructing the Finish Work. Such occupancy by Tenant is expressly subject to all of the terms and conditions of this Lease, except Tenant’s obligation to pay Basic Rent or Additional Rent on account of Taxes and Landlord’s Operating Expenses, it being understood that notwithstanding that the Term will not yet have begun, Tenant shall comply with all of the terms and conditions of this Lease during such pre-Commencement Date period, except for its obligation to pay Basic Rent or Additional Rent on account of Taxes and Landlord’s Operating Expenses.

(c) AS IS. Tenant acknowledges that, except as otherwise provided in this Lease, neither Landlord nor any employee, agent or representative of Landlord has made any express or implied representations or warranties with respect to the physical condition of the Property, Building or the Premises, the fitness or quality thereof or any other matter or thing whatsoever with respect to the Property, Building or the Premises or any portion thereof, and that Tenant is not relying upon any such representation or warranty in entering into this Lease. Tenant has inspected the Building and the Premises and is thoroughly acquainted with their respective condition and agrees to take the same “AS IS”.

2.3 Move-In Day. Tenant may move into the Premises at any time on or after the date Tenant substantially completes the Finish Work and obtains a valid temporary or permanent certificate of occupancy for the Premises permitting Tenant to occupy the Premises (such date, the “**Occupancy Date**”), upon the following terms and conditions: (i) Tenant shall notify Landlord as soon as possible as to the date and time of the scheduled move, and at least seventy-two (72) hours prior to the move date; (ii) Landlord must reasonably approve all moving arrangements; (iii) the receiving area and service elevator are scheduled on a first come, first served basis; no unscheduled moves are permitted; (iv) all office moves and large deliveries shall be scheduled for weekends or after 6 p.m. Monday through Friday, excluding Building Holidays; (v) Tenant and Tenant’s moving contractor shall be responsible for supplying pads to protect the elevator cab interior and the Common Areas; masonite boards or similar material shall be used to cover all floor areas through which materials are to be moved; all floor coverings must be installed in such a manner as to avoid trip hazards or other unsafe conditions; (vi) the side and rear entrances are the only Building

entrances permitted for moving and delivering purposes; (vii) Tenant shall provide to Landlord a certificate of insurance from its moving contractor in the form required by Landlord prior to the move; no moving work shall commence unless such certificates of insurance have been provided; (viii) Tenant and its moving contractor shall be responsible for any damage to the Property and the Building, its contents and appurtenances, to the extent caused by the moving contractor or by its employees or subcontractors; (ix) Tenant or Tenant's moving contractor shall promptly report to Landlord any electrical problems or equipment breakdowns that occur during the move and may affect Building operations; (x) Tenant and its moving contractor shall be responsible for removing all trash, packing cartons and other materials associated with the move; all such material shall be removed from the Property and may not be deposited into the Building trash compactors; (xi) the blocking of any fire corridor, exit door, elevator, lobby, or hallway, and the parking of vehicles in fire lanes is prohibited; all improperly parked or unauthorized vehicles will be towed from the Property without notice to the owner at the owner's expense; (xii) the employees and subcontractors of Tenant's moving contractor shall be restricted to the areas of the move and the loading docks, and shall use the lobby level restrooms only; the discovery of any of the moving contractor's personnel or subcontractor's personnel in any other area of the Building will result in the suspension of the move; (xiii) additional security personnel may be required by Landlord to supervise the move, at Tenant's expense; and (xiv) prior to the commencement of any move, both Tenant and its moving contractor shall execute Landlord's moving guidelines to evidence their respective agreement with the foregoing. To the extent practicable, Landlord shall attempt to provide one (1) elevator for Tenant's exclusive use during Tenant's move. Tenant shall be responsible for any damage caused to the Premises, the Building and/or the Property by Tenant or its moving contractors in connection with the move. If Tenant obtains a temporary certificate of occupancy as of the Occupancy Date, Tenant shall obtain a permanent certificate of occupancy as soon as reasonably practicable after the occurrence of the Occupancy Date and in no event later than the time required by Legal Requirements to obtain such permanent certificate of occupancy.

2.4 Finish Work. Tenant shall construct the Finish Work in the manner and as provided in ***Schedule D*** attached hereto.

ARTICLE 3 BASIC RENT; ADDITIONAL RENT

3.1 Basic Rent. Tenant shall pay the Basic Rent to Landlord in lawful money of the United States of America in equal monthly installments, in advance, on the Basic Rent Payment Dates, commencing on the Basic Rent Commencement Date, except that Tenant shall pay the first installment of Basic Rent upon Tenant's execution and delivery of this Lease. Tenant shall be permitted to pay Basic Rent and Additional Rent via Automated Clearing House (ACH) payment with no mark up or additional charge by Landlord. Landlord shall have the right to change its ACH payment instructions at any time, and from time to time, upon notice to Tenant.

3.2 Additional Rent. In addition to the Basic Rent, Tenant shall pay and discharge when due, as additional rent ("***Additional Rent***"), all other amounts, liabilities and obligations which Tenant herein agrees to pay to Landlord, together with all interest, penalties and costs which may be added thereto pursuant to the terms of this Lease.

3.3 Late Charge. If any installment of Basic Rent or Additional Rent is not paid when due, Tenant shall pay to Landlord, on demand, a late charge equal to five percent (5%) of the amount unpaid provided, however, Landlord shall not assess such a late charge with respect to the first (1st) late payment in any Lease Year until Landlord has given Tenant written notice of the late payment and Tenant has failed to pay the amount due within ten (10) days after receiving the notice. The late charge is not intended as a penalty but is intended to compensate Landlord for the extra expense Landlord will incur to send out late notices and handle other matters resulting from the late payment. In addition, any installment or installments of Basic Rent or Additional Rent that are not paid within ten (10) days after the date when due, will bear interest at the lesser of: (i) three percent (3%) over the Prime Rate, not to exceed ten percent (10%), or (ii) the highest legal rate permitted by law. Any interest due as set forth in the preceding sentence shall be calculated from the due date of the delinquent payment until the date of payment, which interest will be deemed Additional Rent and shall be payable by Tenant upon demand by Landlord.

3.4 Prorating Rent. If any Lease Year consists of a period of less than twelve (12) full calendar months, payments of Basic Rent and Additional Rent, will be prorated on the basis of a thirty (30) day month or 360-day year, unless otherwise provided.

3.5 No Abatement or Set-off. Except as herein provided, Tenant shall pay to Landlord, at Landlord's address for notices hereunder, or such other place as Landlord may from time to time designate, or via ACH payments, without any offset, set-off, counterclaim, deduction, defense, abatement, suspension, deferment or diminution of any kind (i) the Basic Rent, without notice or demand, (ii) Additional Rent, and (iii) all other sums payable by Tenant hereunder. Except as otherwise expressly provided herein, this Lease will not terminate, nor will Tenant have any right to terminate or avoid this Lease or be entitled to the abatement of any Basic Rent, Additional Rent or other sums payable hereunder or any reduction thereof, nor will the obligations and liabilities of Tenant hereunder be in any way affected for any reason. The obligations of Tenant hereunder are separate and independent covenants and agreements.

3.6 Invoices. If Landlord issues monthly or other periodic rent billing statements to Tenant, the issuance or non-issuance of such statements will not affect Tenant's obligation to pay Basic Rent and the Additional Rent set forth in Sections 4.3 and 5.3, all of which are due and payable on the Basic Rent Payment Dates.

ARTICLE 4 REAL ESTATE TAXES

4.1 Taxes. Tenant shall pay to Landlord Tenant's Proportionate Share of the amount by which the Taxes for any Lease Year during the Term exceed the Base Taxes; provided, however, that if any special assessments may be paid in installments, Landlord may elect to pay same over the longest period allowed by law. Tenant's Proportionate Share of the Taxes for less than a full Lease Year will be prorated.

4.2 Landlord's Tax Statement. As soon as reasonably possible after the first day of the Lease Year following the Lease Year in which the Base Period occurs and thereafter as soon as reasonably practical after the end of each succeeding Lease Year, Landlord shall determine or estimate the amount by which the Taxes for the Lease Year in question will exceed the Base Taxes

(the “**Projected Taxes**”) and shall submit such information to Tenant in a written statement (“**Landlord’s Tax Statement**”). Landlord shall use reasonable efforts to issue Landlord’s Tax Statement within one hundred twenty (120) days following the end of each Lease Year. Unless disputed or audited by Tenant as permitted under this Lease, or updated pursuant to Section 4.3 below, Landlord’s Tax Statement shall be final upon issuance except for scrivener’s errors.

4.3 Monthly Tax Payment. Commencing on the first Basic Rent Payment Date following the submission of Landlord’s Tax Statement and continuing thereafter on each successive Basic Rent Payment Date until Landlord renders the next Landlord’s Tax Statement, Tenant shall pay to Landlord on account of its obligation under Section 4.1, a sum (the “**Monthly Tax Payment**”) equal to one-twelfth (1/12) of Tenant’s Proportionate Share of the Projected Taxes for such Lease Year. Tenant’s first Monthly Tax Payment after receipt of Landlord’s Tax Statement shall be accompanied by the payment of an amount equal to the product of the number of full months, if any, within the Lease Year which have elapsed prior to such first Monthly Tax Payment, times the Monthly Tax Payment; minus any Additional Rent already paid by Tenant on account of its obligation under Section 4.1 for such Lease Year. From time to time during any Lease Year, Landlord may revise the Landlord’s Tax Statement and adjust Tenant’s Monthly Tax Payment to reflect Landlord’s revised estimate, in which event Tenant shall pay, along with the next monthly payment due, the difference (if any) between the aggregate amount of Tenant’s Monthly Tax Payments theretofore made on account of its obligation under Section 4.1 for such Lease Year, and the amount which would have been payable by Tenant during such Lease Year had Landlord billed Tenant for the revised Monthly Tax Payment for such prior elapsed months during such Lease Year. Thereafter, Tenant shall pay the revised monthly estimate in accordance with the provisions of this Section 4.3.

4.4 Reconciliation. Landlord shall use reasonable efforts to deliver to Tenant within one hundred twenty (120) days after the end of each Lease Year, Landlord’s final determination of the amount by which the Taxes for the Lease Year in question exceed the Base Taxes and shall submit such information to Tenant in a written statement (“**Landlord’s Final Tax Statement**”). Each Landlord’s Final Tax Statement must reconcile the payments made by Tenant in the Lease Year in question with Tenant’s Proportionate Share of the amount by which actual Taxes imposed for the period covered thereby exceed Base Taxes. Any balance due to Landlord shall be paid by Tenant within thirty (30) days after Tenant’s receipt of Landlord’s Final Tax Statement; any surplus due to Tenant shall be applied by Landlord against the next accruing monthly installment(s) of Additional Rent due under this Article 4. If the Term has expired or has been terminated, Tenant shall pay the balance due to Landlord or, alternatively, Landlord shall refund the surplus to Tenant, whichever the case may be, within thirty (30) days after Tenant’s receipt of Landlord’s Final Tax Statement; provided, however, that, if the Term terminated as a result of a default by Tenant, then Landlord will have the right to retain such surplus to the extent Tenant owes Landlord any Basic Rent or Additional Rent.

4.5 Refund of Taxes. Landlord will have the right, but not the obligation, to seek to obtain a lowering of the assessed valuation of the Property; provided, however, that for the purposes of this Lease and the computation of the Taxes that Tenant is required to pay as Additional Rent, the Base Taxes shall remain unchanged regardless of any subsequent, lower assessment of the Property. Landlord may employ whatever individuals and firms Landlord, in its sole judgment, deems necessary to undertake such endeavor. Tenant, at no charge to Tenant, shall cooperate with

Landlord and its representatives in all such endeavors. If Landlord receives a refund of Taxes in respect of a Lease Year and if Tenant paid Additional Rent based on the Taxes paid prior to the refund, Landlord shall first deduct from such tax refund any expenses, including, but not limited to, attorneys fees and appraisal fees, incurred in obtaining such tax refund, and out of the remaining balance of such tax refund, Landlord shall credit Tenant's Proportionate Share of such refund against the next accruing monthly installment(s) of Additional Rent, or if the Term has expired, Landlord shall pay to Tenant Tenant's Proportionate Share of such refund within thirty (30) days after receipt thereof by Landlord; provided, however, that (i) if the Term terminated as a result of a default by Tenant, Landlord will have the right to retain Tenant's Proportionate Share of the refund to the extent Tenant owes Landlord any Basic Rent or Additional Rent, and (ii) Tenant's Proportionate Share of such refund will in no event exceed the amount of Additional Rent actually paid by Tenant on account of the Taxes for the Lease Year in question. Any expenses incurred by Landlord in contesting the validity or the amount of the assessed valuation of the Property or any Taxes, to the extent not offset by a tax refund, will, for the purpose of computing the Additional Rent due Landlord or any credit due to Tenant hereunder, be included as an item of Taxes for the tax year in which such contest is finally determined. Notwithstanding anything to the contrary contained in this Lease, Tenant will have no right to contest or appeal the validity of any Taxes or the assessed valuation of the Property.

4.6 Payment Pending Appeal. While proceedings for the reduction in assessed valuation for any year are pending, the computation and payment of Tenant's Proportionate Share of Taxes will be based upon the original assessments for such year.

4.7 Taxes on Tenant's Improvements. Tenant shall also pay to Landlord, upon demand, the amount of all increases in Taxes and/or all assessments or impositions made, levied or assessed against or imposed upon the Property or any part thereof which are attributable to additions or improvements in, on or about the Premises made by or on behalf of Tenant or which in whole or in part belong to Tenant.

4.8 Survival. In no event will any adjustment in Tenant's obligation to pay Additional Rent under this Article 4 result in a decrease in the Basic Rent. Tenant's obligation to pay Additional Rent during the Term, and Landlord's obligation to credit and/or refund to Tenant any amount, pursuant to the provisions of this Article 4, will survive the Termination Date.

4.9 Bills and Statements. The provisions of Section 29.3 apply to Landlord's Tax Statement.

4.10 Rent Tax. If an excise, transaction, sales, or privilege tax or other tax or imposition (other than Federal, state or local income or estate taxes) is levied or assessed against Landlord or the Property on account of or measured by, in whole or in part, the Basic Rent and/or Additional Rent expressly reserved hereunder as a substitute for or in addition to, in whole or in part, Taxes or if any assessments and/or taxes are levied or assessed against Landlord or the Property on account of or as a result of the operation and/or existence of Tenant's business, then Tenant shall pay to Landlord upon demand: (i) the amount of such excise, transaction, sales or privilege tax or other tax or imposition to the extent lawfully assessed or imposed as a result of Landlord's interests in this Lease or of the Basic Rent and/or Additional Rent accruing under this Lease; and (ii) the

amount of any assessments and/or taxes levied or assessed against Landlord or the Property on account of or as a result of the operation and/or existence of Tenant's business in the Property.

ARTICLE 5 OPERATING EXPENSES

5.1 Operating Expenses.

(a) The Landlord's CAM Expenses and the Insurance Expenses are collectively referred to as "***Landlord's Operating Expenses***" and shall be determined and paid in accordance with the provisions of this Article 5.

(b) Tenant shall pay to Landlord, Tenant's Proportionate Share of the amount by which Landlord's CAM Expenses for any Lease Year during the Term exceeds the Base CAM Expenses. Tenant's Proportionate Share of Landlord's CAM Expenses for less than a full Lease Year will be prorated.

(c) Tenant shall pay to Landlord, Tenant's Proportionate Share of the amount by which the Insurance Expenses for any Lease Year during the Term exceeds the Base Insurance Expenses. Tenant's Proportionate Share of the Insurance Expenses for less than a full Lease Year will be prorated.

5.2 Landlord's Expense Statement. As soon as reasonably possible after the first day of the Lease Year following the Lease Year in which the Base Period occurs and thereafter as soon as practical after each succeeding Lease Year during the Term, Landlord shall determine or estimate the amount by which Landlord's Operating Expenses for the Lease Year in question will exceed the Base Operating Expenses ("***Landlord's Estimated Operating Expenses***") and shall submit such information to Tenant in a written statement ("***Landlord's Expense Statement***"). Landlord shall use reasonable efforts to issue Landlord's Expense Statement within one hundred twenty (120) days following the end of each Lease Year. Unless disputed or audited by Tenant as permitted under this Lease, or updated pursuant to Section 5.3 below, Landlord's Expense Statement shall be final upon issuance except for scrivener's errors.

5.3 Monthly Expense Payment. Commencing on the first Basic Rent Payment Date following the submission of Landlord's Expense Statement and continuing thereafter on each successive Basic Rent Payment Date until Landlord renders the next Landlord's Expense Statement, Tenant shall pay to Landlord on account of its obligation under Section 5.1, a sum (the "***Monthly Expense Payment***") equal to one-twelfth (1/12) of Tenant's Proportionate Share of Landlord's Estimated Operating Expenses for such Lease Year. Tenant's first Monthly Expense Payment after receipt of Landlord's Expense Statement shall be accompanied by the payment of an amount equal to the product of the number of full months, if any, within the Lease Year which have elapsed prior to such first Monthly Expense Payment, times the Monthly Expense Payment; minus any Additional Rent already paid by Tenant on account of its obligation under Section 5.1 for such Lease Year. From time to time during any Lease Year, Landlord may revise the Landlord's Expense Statement and adjust Tenant's Monthly Expense Payment to reflect Landlord's revised estimate, in which event Tenant shall pay, along with the next monthly payment due, the difference (if any) between the aggregate amount of Tenant's Monthly Expense Payments theretofore made

on account of its obligation under Section 5.1 for such Lease Year, and the amount which would have been payable by Tenant during such Lease Year had Landlord billed Tenant for the revised Monthly Expense Payment for such prior elapsed months during such Lease Year. Thereafter, Tenant shall pay the revised monthly estimate in accordance with the provisions of this Section 5.3.

5.4 Reconciliation. Landlord shall use reasonable efforts to deliver to Tenant, within one hundred twenty (120) days after the end of each Lease Year, Landlord's final determination of the amount by which the Landlord's Operating Expenses for the Lease Year in question exceed the Base Operating Expenses and shall submit such information to Tenant in a written statement (the "**Annual Expense Reconciliation**"). Each Annual Expense Reconciliation must reconcile the aggregate of all Monthly Expense Payments made by Tenant in the Lease Year in question with Tenant's Proportionate Share of the amount by which actual Landlord's Operating Expenses for the period covered thereby exceed Base Operating Expenses. Any balance due to Landlord shall be paid by Tenant within thirty (30) days after Tenant's receipt of the Annual Expense Reconciliation; any surplus due to Tenant shall be applied by Landlord against the next accruing monthly installment(s) of Additional Rent due under this Article 5. If the Term has expired or has been terminated, Tenant shall pay the balance due to Landlord or, alternatively, Landlord shall refund the surplus to Tenant, whichever the case may be, within thirty (30) days after Tenant's receipt of the Annual Expense Reconciliation; provided, however, that if the Term terminated as a result of a default by Tenant, then Landlord will have the right to retain such surplus to the extent Tenant owes Landlord any Basic Rent or Additional Rent.

5.5 Audit. For one hundred twenty (120) days following Landlord's delivery to Tenant of the Annual Expense Reconciliation, Tenant will have the right, during normal business hours and upon no less than five (5) days prior written notice to Landlord, to examine Landlord's books and records for the purpose of confirming the Annual Expense Reconciliation. Tenant will be deemed to have accepted the Annual Expense Reconciliation unless, within thirty (30) days after Tenant's examination of Landlord's books and records, Tenant delivers an objection notice to Landlord specifying in detail why Tenant believes such Annual Expense Reconciliation is incorrect. Notwithstanding anything to the contrary contained in this Section 5.5, Tenant will not be permitted to examine Landlord's books and records or to dispute any Annual Expense Reconciliation unless (i) Tenant has paid to Landlord all amounts due as shown on such Annual Expense Reconciliation, and (ii) Tenant has signed a confidentiality agreement acceptable to Landlord. Tenant shall not engage the services of any legal counsel or other professional consultant who charges for its services on a so-called contingency fee basis for the purpose of reviewing Landlord's books and records.

5.6 Survival. In no event will any adjustment in Tenant's obligation to pay Additional Rent under this Article 5 result in a decrease in Basic Rent. Tenant's obligation to pay Additional Rent, and Landlord's obligation to credit and/or refund to Tenant any amount, pursuant to this Article 5 will survive the Termination Date.

5.7 Operating Expenses With Respect to Tenant. Tenant shall also pay to Landlord, upon demand, the amount of any increase in Landlord's Operating Expenses, to the extent such increase is attributable to Tenant's specific use or manner of use of the Premises, to activities

conducted on or about the Premises by Tenant or on behalf of Tenant or to any additions, improvements or alterations to the Premises made by or on behalf of Tenant.

5.8 Bills and Statements. The provisions of Section 29.3 apply to Landlord's Expense Statement.

5.9 Limitations on Increases in Controllable CAM Expenses. Notwithstanding anything to the contrary contained herein, Controllable CAM Expenses included in Landlord's CAM Expenses in any calendar year shall not increase by more than five percent (5%) above the aggregate Controllable CAM Expenses amount for the preceding year (said increase limitation being called herein the "***Increase Limitation***"). To the extent that Controllable CAM Expenses would, but for the foregoing sentence, increase by more than the Increase Limitation in a particular calendar year, Landlord may carry the excluded amounts forward to be included in any subsequent calendar year in which the actual increase in Controllable CAM Expenses is less than the Increase Limitation; provided, however, the carry forwards shall only be applied in any subsequent calendar year to the extent that the amount of the carry forward applied plus the actual increase in the Controllable CAM Expenses for such year does not exceed the Increase Limitation for such year. For the avoidance of doubt, costs and expenses which are not expressly included in the definition of Controllable CAM Expenses are not subject to the Increase Limitation.

ARTICLE 6 ELECTRICITY

6.1 Cost of Electricity. The electricity consumed in the Premises will be measured by submeters, check meters or other measuring devices. From and after the Commencement Date, Tenant shall pay Landlord, within thirty (30) days after delivery of a bill therefor, all charges, including, without limitation, usage charges, demand factors and all other charges calculated at the rate structure then existing of the utility company supplying electrical energy to the Building for Tenant's consumption as determined by such meter. Landlord shall include in Landlord's CAM Expenses the cost to read the submeter or check meter. During any period in which any submeters may be non-operational, Landlord shall have the right to determine Tenant's consumption of electricity by other reasonable means, including determinations on the basis of prior submeter readings or determinations based on a survey conducted by a reputable third party engineer selected by Landlord.

6.2 Tenant Not To Exceed Capacity. Tenant's use of electric energy in the Premises shall not at any time exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Premises.

6.3 Utility Deregulation. If permitted by law, Landlord will have the right to choose the service providers that deliver electricity to the Premises. Tenant shall cooperate with Landlord and such service providers, including granting reasonable access to the electric lines, feeders, risers, wiring, and any other machinery within the Premises. If the law prohibits Landlord from choosing the service providers that deliver electricity to the Premises, then Tenant's choice of such service providers is subject to Landlord's prior written consent, and no such service provider will be

permitted to deliver service to or otherwise affect the Building's electric system without such consent.

6.4 Landlord Not Liable. Landlord will not be responsible for any loss, damage or expenses, and Tenant will not be entitled to any rent abatement, diminution, setoff, or any other relief from its obligations hereunder, on account of any change in the quantity or character of the electric service or any cessation or interruption of the supply of electricity to the Premises, except as expressly set forth in Section 9.9 hereof.

ARTICLE 7 MAINTENANCE; ALTERATIONS; REMOVAL OF TRADE FIXTURES

7.1 Tenant's Maintenance. Tenant shall, at its sole cost and expense, keep the Premises in good order and condition (except for ordinary wear and tear) and, except as provided in Section 7.2, shall make all non-structural repairs, alterations, renewals and replacements and shall take such other action as may be necessary or appropriate to keep and maintain the Premises in good order and condition. Except as expressly provided in this Lease, Landlord will not be obligated to maintain, alter or repair the Premises. All repairs made by Tenant must be at least equal in quality to the original work.

7.2 Landlord's Repairs. Landlord shall make all repairs and replacements to the foundation, the bearing walls, the structural columns and beams, the exterior walls, the exterior windows and the roof of the Building, all mechanical, electrical, plumbing, HVAC systems within the Building (other than supplemental HVAC units and the duct distribution systems within the Premises) and Common Areas; provided, however, that if such repairs and replacements (including repairs and replacements with respect to the Property) are necessitated by the willful misconduct or negligence of Tenant or Tenant's Visitors, then Tenant shall reimburse Landlord, upon demand, for the reasonable cost thereof. The costs and expenses incurred by Landlord in connection with such repairs and replacements will be included in Landlord's Operating Expenses to the extent permitted by the terms of this Lease.

7.3 Requirements for Tenant's Maintenance. All maintenance and repair, and each addition, improvement or alteration, performed by on behalf of Tenant must be (a) completed expeditiously in a good and workmanlike manner, and in compliance with all applicable Legal Requirements and Insurance Requirements, (b) completed free and clear of all Liens, and (c) performed in a manner and by contractors reasonably approved by Landlord to the extent such work involves any work to any electrical, mechanical, plumbing or other system of the Building, any work to the outside of the Building, any work to the roof of the Building or any work to any structural element of the Building.

7.4 (a) Permitted Alterations. Provided Tenant is not in default of any its obligations under this Lease, Tenant may, upon prior written notice to Landlord and submission to Landlord of plans and specifications therefor, make interior, non-structural additions, improvements or alterations to the Premises having an aggregate cost not to exceed \$50,000.00, so long as the same do not (i) require a building permit, (ii) affect, alter, interfere with or disrupt any of the electrical, mechanical, plumbing or other system of the Building, (iii) affect the outside appearance of the Building, (iv) affect the roof of the Building, or (v) affect any structural element of the Building.

(b) **Landlord's Consent to Alterations.** Tenant shall not make any addition, improvement or alteration outside the Premises or to the Land or Building. In addition, Tenant shall not make any addition, improvement or alteration of the Premises costing in excess of \$50,000.00 or (i) requiring a building permit, (ii) affecting, altering, interfering with or disrupting any electrical, mechanical, plumbing or other system of the Building, or (iii) affecting the outside appearance of the Building, the roof of the Building, the ingress to or the egress from the Premises and/or any structural element of the Building (such work, "**Major Work**"), unless Tenant submits to Landlord detailed plans and specifications therefor and Landlord approves such plans and specifications in writing, which approval will be at Landlord's sole and absolute discretion, except that Landlord agrees not to unreasonably withhold its approval of Major Work if such Major Work is limited to interior alterations to the Premises which do not have any material or adverse effect on structural elements of the Building or on any of the systems or equipment of the Building. Landlord shall approve or disapprove the proposed Major Work within ten (10) Business Days after Landlord receives the detailed plans and specifications therefor and such other information reasonably requested by Landlord. If Landlord disapproves the proposed Major Work, Landlord shall specify the reasons for such disapproval in said notice. Tenant shall reimburse Landlord, within thirty (30) days after demand, for its reasonable third party costs for reviewing any plans for Major Work.

(c) **Contractors for Major Work.** Notwithstanding anything contained in the Lease to the contrary, Landlord reserves the right to require Tenant to use Landlord's designated engineers and contractors in connection with any Major Work, provided that using such engineers and contractors are reputable third parties that charge market rates for their services.

7.5 (a) **Surrender of Alterations.** Each addition, improvement and alteration to the Premises (each a "**Tenant Improvement**"), including the Finish Work, will, upon installation, become the property of Landlord and be deemed to be a part of the Premises unless Landlord, by written notice to Tenant simultaneously with the giving of any approval for such Tenant Improvement, notifies Tenant that such Tenant Improvement must be removed prior to the Termination Date. If the removal of any such Tenant Improvement in accordance with the preceding sentences is required, Tenant shall insure such Tenant Improvement in accordance with Section 14.1(a)(ii), and Tenant shall, prior to the Termination Date, remove such Tenant Improvement and promptly repair any damage to the Premises or the Building caused by the installation or removal of such Tenant Improvement and restore the Premises to substantially the condition existing prior to the installation of such Tenant Improvement; all such work shall be done prior to the Termination Date and in accordance with the provisions of this Lease. In addition to and not in limitation of the foregoing, to the extent Tenant proposes to fit out a portion of the Premises with laboratory equipment, Landlord agrees that Tenant shall not be required to remove such laboratory equipment or otherwise restore that portion of the Premises other than performing standard decommissioning and cleaning of the equipment.

(b) **Removal of Improvements.** Tenant may install in, and remove from, the Premises any trade equipment, machinery and personal property belonging to Tenant (such trade equipment, machinery and personal property will not become the property of Landlord), provided that (i) Tenant shall repair all damage caused by such installation or removal; (ii) Tenant shall not install any equipment, machinery or other items on the roof of the Building or make any openings in the roof; and (iii) Tenant shall not install any equipment, machinery or other items on the floor,

walls or ceiling of the Premises that exceed the load bearing capacity or compromise the structural integrity of the floor, walls or ceiling of the Premises.

ARTICLE 8 USE OF PREMISES

8.1 Permitted Use. Tenant shall not use or permit the use of the Premises for any purpose other than the Permitted Use specified in the Basic Lease Provisions.

8.2 Prohibited Uses. Tenant shall not use or permit the use of the Premises in any manner or for any purpose or do, bring or keep anything, or permit anything to be done, brought or kept in the Premises that (a) violates any Legal Requirement or Insurance Requirement, (b) could overload the electrical or mechanical systems of the Building or exceed the design criteria, the structural integrity, character, appearance or fair market value of the Building, (c) in the reasonable judgment of Landlord, may impair or interfere with the proper and economic heating or air conditioning of the Building; or (d) in the reasonable judgment of Landlord, may interfere with the use or occupancy of any portion of the Building outside of the Premises by Landlord or any other tenant or occupant of the Building.

8.3 Dispensing Food. Except for a small kitchen in the Premises that may include a refrigerator, microwave and other small appliances to serve Tenant and Tenant's Visitors, Tenant shall not, without the prior written consent of Landlord, permit the dispensing, preparation, or serving of any beverages or food in the Premises.

8.4 Parking. (a) Provided Tenant is not in default of its obligations under this Lease, Tenant will have a nonexclusive irrevocable license (the "**License**") during the term of this Lease (i) to park up to sixty-three (63) cars in the parking area of the Property on a non-exclusive and non-reserved basis and (ii) to park five (5) cars in the five (5) reserved parking spaces in the location shown on **Schedule G** attached hereto. Landlord will not be responsible to Tenant for enforcing the License or for violation of the License by third parties. Any of the following actions by Tenant and/or Tenant's Visitors will be deemed a material default under this Lease: (i) the use of more parking spaces than the number indicated in the Basic Lease Provisions; (ii) parking in spaces designated for the exclusive use of other parties, (iii) parking outside of marked parking spaces, (iv) the maintenance, repair or cleaning of any vehicle in the parking area, and (v) the violation of any other parking rules and regulations promulgated by Landlord. If the number of parking spaces in the parking area of the Property is reduced by circumstances beyond the reasonable control of Landlord, the number of spaces indicated in the Basic Lease Provisions will be reduced proportionately.

(b) Landlord will have no liability for any damage to vehicles on the Property or for any loss of property from within such vehicles, or for any injury suffered by Tenant's employees or Tenant's Visitors, except to the extent such loss, damage or injury is caused by Landlord's gross negligence or willful misconduct. Tenant shall advise its employees, Tenant's Visitors, and any subtenant's employees of the requirements of this Section 8.4 and Tenant shall be responsible for compliance by such parties with such requirements. If Tenant or Tenant's Visitors park illegally or in areas designated for use by others, or in driveways, fire lanes or areas not striped for general parking or otherwise violate any parking rules and regulations promulgated

by Landlord, then Landlord may, at Tenant's sole cost and expense, tow such vehicles away from the Property and/or attach violation notices to such vehicles. Any amount due from Tenant pursuant to this Article will be deemed Additional Rent and Tenant shall pay such amounts to Landlord upon demand. Landlord reserves the right, from time to time, to assign and re-assign to Tenant and other tenants of the Building specific parking spaces, and Tenant agrees to be bound thereby. Nothing contained herein shall be deemed to impose any obligation on Landlord to police the parking area.

8.5 Permits, Licenses and Authorizations. Tenant shall obtain, at its sole cost and expense, all permits, licenses or authorizations of any nature required in connection with the operation of Tenant's business at the Premises.

ARTICLE 9 LANDLORD'S SERVICES

9.1 Landlord's Services. Provided Tenant is not in default under any of the provisions of this Lease beyond applicable grace periods provided herein, Landlord shall furnish to Tenant the services set forth in this Article 9. Tenant acknowledges that Landlord is required to furnish air cooling, heat, ventilation, building maintenance and other facilities and services (collectively "**Building Services**") only during Building Hours. If Tenant desires air cooling, heat and ventilation outside Building Hours (such period referred to herein as "**Extra Hours**"), Landlord will provide air cooling, heat and ventilation to Tenant during such Extra Hours provided that: (i) Tenant pays to Landlord a special charge ("**Extra Hours Charge**"), and (ii) Tenant's request for Extra Hours air cooling, heat and ventilation is received by Landlord prior to 12:00 PM on the day for which such Extra Hours air cooling, heat and ventilation is requested, unless such day is a Saturday, Sunday or Building Holiday, in which case such request must be received prior to 12:00 PM on the last Business Day preceding such Saturday, Sunday or Building Holiday. The Extra Hours Charge will be a standard hourly rate reasonably determined by Landlord from time to time. The initial Extra Hours Charge will be \$75.00 per hour per zone and is subject to a minimum four (4) hour billing period. Tenant shall pay the Extra Hours Charge to Landlord within thirty (30) days after receipt of a statement therefor.

9.2 Elevators. Tenant will have the nonexclusive right to use passenger elevators in the Building, if applicable, to obtain access to the Premises at all times, except during reasonable closures for breakdowns, repairs, or maintenance. Landlord will have no liability for any such closures. If the Building has a freight elevator, Tenant may use it only during times approved in advance by Landlord.

9.3 Heating and Air Cooling. Landlord shall furnish heat when and as required by law and air cooling during Building Hours when, in the reasonable judgment of Landlord, it is required for the comfortable occupancy of the Premises. Landlord shall provide ventilation for the Premises during Building Hours. Tenant shall cooperate fully with Landlord and abide by all regulations and requirements that Landlord reasonably prescribes for the proper functioning and protection of its heating, air cooling and ventilation systems. Tenant shall not construct any partitions or other obstructions that interfere with Landlord's access to Landlord's mechanical installations, including, but not limited to, air cooling, fans, ventilating and machine rooms and electrical closets, and ceiling and plenum installations. Tenant, its agents, employees and contractors shall not enter any

enclosures containing Landlord's mechanical installations or tamper, adjust, touch or otherwise affect such mechanical installations. Tenant shall keep all windows in the Premises closed when the air cooling system is in operation.

9.4 Water. Landlord shall furnish adequate hot and cold water at standard Building temperatures to the Building for drinking, lavatory and cleaning purposes, the cost of which shall be included in Landlord's CAM Expenses.

9.5 Common Area Maintenance. Landlord shall furnish electrical lighting, air cooling, heat and ventilation to the Common Areas, the cost of which shall be included in Landlord's CAM Expenses. In addition, Landlord shall be responsible for janitorial service to, and maintenance, repair and replacements of, the Common Areas, the cost of which shall be included in Landlord's CAM Expenses, to the extent permitted under this Lease.

9.6 Building Directory; Monument Signs. (a) At Tenant's request, Landlord shall include Tenant's name in the main Building directory. Tenant shall promptly reimburse Landlord for the cost of any changes made to such listing at Tenant's request. If Landlord maintains a computerized directory, Tenant shall be entitled to have its name listed in the computerized directory and, if the directory lists the names of specific employees of other tenants of the Building, Tenant shall be entitled to have specific employees that work within the Premises listed in the directory. Upon request from Tenant, Landlord shall make changes to the listing in the computerized directory pursuant to Landlord's Building standard procedures.

(b) Subject to the terms of this Section 9.6(b), Tenant shall have the right to have its name listed on each of the Monument Signs identified on ***Schedule H***, annexed hereto (the "***Monument Signs***"). The size, design, color and location of Tenant's sign panel on the Monument Signs shall be subject to Landlord's reasonable approval. As soon as reasonably practicable after Landlord approves Tenant's sign panel and after Tenant provides Landlord with the applicable sign panels, Landlord shall install Tenant's sign panel on the Monument Signs. For the avoidance of doubt, Tenant shall have no right to dictate the position of Tenant's name on the Monument Signs, it being understood that Landlord shall have the right, in its sole discretion, to determine the position and priority of Tenant's sign panel on the Monument Signs.

(c) Subject to Landlord's reasonable approval, Tenant shall have the right to install Tenant's sign on the entrance doors to the Premises.

9.7 (a) Office Cleaning. Landlord shall, as part of Landlord's CAM Expenses, provide the janitorial services described on ***Schedule C*** attached hereto ("***Janitorial Services***"), provided the Premises are kept in reasonable order by Tenant. Janitorial Services will not be provided on Saturdays, Sundays or Building Holidays. Landlord will not be obligated to furnish Janitorial Services during any period in which Tenant is in default of any of its obligations under this Lease.

(b) Special Cleaning Services. If Tenant requests special or more frequent cleaning and janitorial services ("***Special Cleaning Services***"), Landlord may, upon reasonable advance notice by Tenant, elect to furnish such Special Cleaning Services and Tenant shall pay to Landlord, within thirty (30) days of being billed therefor, Landlord's charge for providing such Special Cleaning Services. Special Cleaning Services include, but are not limited to the following:

(i) cleaning of permitted eating facilities (if any), including the removal of garbage therefrom, (ii) cleaning of computer centers, including peripheral areas, (iii) cleaning of special equipment areas, kitchen areas, private toilets and locker rooms, medical centers and large scale duplicating rooms (if any), (iv) cleaning of areas of special security, such as storage units, (v) consumable supplies for private toilet rooms, (vi) cleaning of light fixtures, (vii) cleaning or shampooing of carpeting and the cleaning, waxing, refinishing and buffing of non-carpeted areas, (viii) stain removal, (ix) painting, (x) removal of any refuse in excess of the amount ordinarily accumulated in routine office occupancy, as determined by Landlord.

(c) Performance of Janitorial Services. Tenant shall grant Landlord's cleaning personnel and contractors access to the Premises from and after 5:30 PM on weekdays and at any time on Saturdays, Sundays and Building Holidays for the purpose of performing the Janitorial Services. Tenant shall not hinder the performance of the Janitorial Services and, if Tenant does hinder the performance of the Janitorial Services, Landlord will have no liability to Tenant on account thereof. Tenant shall supply adequate waste receptacles, cabinets and bookcases to prevent unreasonable hardship to Landlord in discharging its obligations regarding Janitorial Services. If any Legal Requirement requires trash to be separated into different components before carting (e.g., office paper, computer paper, newspaper, cans and bottles), Tenant shall comply with such requirements and shall supply adequate receptacles for each such component at Tenant's sole expense.

9.8 Telecommunications. Subject to the Rules and Regulations of Landlord and any applicable telecommunications provider, Tenant will have access to the existing telecommunications system in the Building, if any. Tenant hereby acknowledges that the telecommunications system has been installed and is operated by a third-party provider, not Landlord. Landlord makes no representations or warranties with respect to the telecommunications system. Tenant acknowledges that telecommunications service may be suspended or reduced by reason of repairs, alterations, improvements, accidents, or other causes beyond the reasonable control of Landlord. Any such interruption or suspension of services will not be deemed an eviction or disturbance of Tenant's use and possession of the Premises, nor render Landlord liable to Tenant for damages by abatement of rent or otherwise, nor relieve Tenant of any of its obligations under this Lease, except as may be set forth in Section 9.9 below. Tenant shall contract directly with the company providing telecommunications services to the Premises. Tenant shall pay all charges for telecommunications services before any interest or penalties are added thereto and shall furnish to Landlord, upon request, satisfactory proof of payment.

9.9 Interruption of Services. Landlord reserves the right to suspend the Building Services on account of fire, storm, explosion, strike, lockout, labor dispute, casualty or accident, acts of God, riot, war, terrorism, interference by civil or military authorities, or any other cause beyond Landlord's control or for emergency, inspection, cleaning, repairs, replacement, alterations or improvements that Landlord reasonably deems desirable or necessary. Landlord shall use reasonable efforts to restore any Building Services suspended pursuant to this Section 9.9 as promptly as possible under the circumstances. Landlord will not be liable to Tenant for any costs, expenses or damages incurred by Tenant as a result of any failure to furnish any Building Services and such failure will not (i) be construed as a constructive eviction or eviction of Tenant, (ii) excuse Tenant from the performance of any of its obligations hereunder, or (iii) entitle Tenant to any abatement or offset against Basic Rent or Additional Rent. In addition, no deduction from Basic

Rent or Additional Rent will be permitted on account of any Building Services used by Tenant. Notwithstanding anything to the contrary contained in this Lease, if, as a result of the negligent acts or willful misconduct or other intentional acts of Landlord or Landlord's employees, contractors, or agents, (i) there is a cessation or interruption in the supply of electricity to the Premises or any other utility service to the Premises which Landlord is obligated to provide to the Premises pursuant to this Article 9 and (ii) as a result of the cessation or interruption Tenant is unable to use, and actually ceases using, all or any material part of the Premises for the conduct of its business for five (5) or more consecutive Business Days after Tenant gives Landlord notice of the cessation or interruption, then the Basic Rent and Additional Rent shall be equitably abated during the period from the sixth (6th) consecutive Business Day to the earlier to occur of (x) the date on which such cessation or interruption ceases or (y) the date on which Tenant resumes using the Premises or the affected portion of the Premises for the conduct of business.

9.10 Energy Conservation. Landlord and Tenant shall comply with all mandatory and voluntary energy conservation controls and requirements imposed or instituted by the federal, state or local governments and applicable to office buildings, or as may be required to operate the Building as an office building comparable to equivalent facilities in the county in which the Property is located. These controls and requirements may include, without being limited to, controls on the permitted range of temperature settings in office buildings and curtailment of the volume of energy consumed or the hours of operation of the Building. Any terms or conditions of this Lease that conflict with such controls and requirements will be suspended for the duration of such controls and requirements. Compliance with such controls and requirements will not be considered an eviction, actual or constructive, of Tenant from the Premises and will not entitle Tenant to terminate this Lease or to an abatement of any Basic Rent or Additional Rent.

9.11 Card Key Access. Landlord will provide access to the Building for Tenant and its employees at the Premises through a card key access system (or an alternative but comparable method). Tenant shall comply, and cause its employees to comply, with the reasonable rules and regulations established by Landlord from time to time with respect to Building access and the access system. Subject to Article 7 hereof and any other applicable terms of this Lease relating to alterations, Tenant shall have the right to install, at Tenant's expense, its own security and access system within the Premises.

9.12 Amenities. (a) During the Term Landlord shall provide an exercise and fitness facility in the Building for common use by tenants and occupants of the Building (the "***Fitness Facility***"). Tenant and its employees working in the Premises may utilize the Fitness Facility, at no additional charge, for its intended purpose on a non-exclusive basis in common with others whom Landlord permits to use such facilities and in accordance with Landlord's rules and regulations. The hours of operation of Fitness Facility shall be determined by Landlord, but no less than the Building Hours, subject to closure for cleaning, maintenance, repairs, alterations and such other reasonable reasons as determined by Landlord. Tenant shall comply with any reasonable rules and regulations established by Landlord in connection with the Fitness Facility. The rules and regulations may include a requirement that the users of the Fitness Facility sign a waiver and release of liability in Landlord's Building standard form. Landlord reserves the right, at any time, to relocate the Fitness Facility to another location in the Building, to alter the Fitness Facility or the facilities therein.

(b) During the Term Landlord shall provide a conference room in the Building for use by tenants and occupants of the Building (the “**Conference Room**”). Tenant may reserve the use of the Conference Room, at no charge to Tenant, for its employees from time to time in accordance with and subject to reasonable rules and regulations established by Landlord. Landlord shall establish reasonable procedures for the reservation by tenants of the Conference Room. The hours of operation of the Conference Room shall be determined by Landlord, but no less than the Building Hours. Tenant shall comply with any reasonable rules and regulations established by Landlord in connection with the Conference Room. Landlord reserves the right, at any time, to relocate the Conference Room to another location in the Building, or to alter the Conference Room or the facilities therein.

ARTICLE 10 COMPLIANCE WITH REQUIREMENTS

10.1 Compliance. Tenant shall (i) comply with all Legal Requirements and Insurance Requirements applicable to the Premises or Tenant’s use thereof, and (ii) maintain and comply with all permits, licenses and other authorizations required by any governmental authority for Tenant’s use of the Premises and for the proper operation, maintenance and repair of the Premises. Landlord shall, at no cost to Landlord, join in any application for any permit or authorization with respect to Legal Requirements if such joinder is necessary. If any structural repairs or replacements are required in order for Tenant to comply with its obligations under this Section 10.1, Landlord shall perform such repairs or replacements and Tenant shall, upon demand, reimburse Landlord for the actual, reasonable and documented costs and expenses incurred by Landlord in connection with such repairs or replacements. Notwithstanding anything to the contrary contained herein, Tenant shall not be obligated to make any alteration or improvement to the Premises which is required by Legal Requirements (a) which is Landlord’s obligation pursuant to Section 10.2 below, or (b) unless the requirement arises out of or in connection with any addition, improvement or alteration made by or on behalf of Tenant (which, for the avoidance of doubt, shall include the Finish Work) or out of or in connection with Tenant’s or Tenant’s Visitors’ acts or particular use or manner of use of the Premises or Property (as opposed to office use generally).

10.2 Landlord's Compliance. Except for compliance which is Tenant’s responsibility pursuant to this Lease (including, without limitation, under this Article 10, Article 11 and Article 7), Landlord shall comply with all Legal Requirements with respect to the Common Areas and the Building (excluding only those portions of the Building for which tenants are responsible for compliance with Legal Requirements pursuant to their leases), including, without limitation, the ADA. If Tenant becomes aware of any Legal Requirement which it believes Landlord is obligated to comply with, Tenant shall promptly give Landlord notice thereof. The costs and expenses incurred by Landlord to comply with this Section 10.2 shall be included in Operating Expenses except to the extent such costs and expenses are expressly excluded from the definition of Operating Expenses.

10.3 Increases in Insurance Premiums. Tenant shall not do, or permit to be done, anything in or to the Premises, or keep anything in the Premises that increases the cost of any insurance maintained by Landlord. Tenant shall, upon demand, pay to Landlord any such increase

in insurance premiums and any other costs incurred by Landlord as a result of the negligence or willful misconduct of Tenant or Tenant's Visitors.

ARTICLE 11 COMPLIANCE WITH ENVIRONMENTAL LAWS

11.1 Environmental Laws. Tenant shall comply, at its sole cost and expense, with all Environmental Laws in connection with Tenant's use and occupancy of the Premises; provided, however, that the provisions of this Article 11 will not obligate Tenant to comply with the Environmental Laws if such compliance is required solely as a result of the occurrence of a release, spill, discharge or other event before the Commencement Date, or if such release, spill, discharge or other event was not caused by the act, negligence or omission of Tenant or Tenant's Visitors. Landlord represents and warrants that, as of the date of this Lease, it has no Actual Knowledge of the presence of any "hazardous substances" or "hazardous wastes" (as such terms are defined in ISRA) on, in or under the Property in amounts exceeding legally established maximum thresholds, except as may be disclosed in the Environmental Report.

11.2 Copies of Environmental Documents. Tenant shall deliver promptly to Landlord a true and complete copy of any correspondence, notice, report, sampling, test, finding, declaration, submission, order, complaint, citation or any other instrument, document, agreement and/or information submitted to, or received from, any governmental entity, department or agency in connection with any Environmental Law relating to or affecting the Premises.

11.3 Hazardous Substances and Hazardous Wastes. Tenant shall not cause or permit any "hazardous substance" or "hazardous waste" (as such terms are defined in the ISRA) to be kept in the Premises, except for *de minimus* quantities of cleaning supplies, medicines and other materials used by Tenant in the ordinary course of its business and in accordance with all Legal Requirements. Except in connection with the Permitted Use and in accordance with all applicable Environmental Laws, Tenant shall not engage in, or permit any other person or entity to engage in, any activity, operation or business in the Premises that involves the generation, manufacture, refining, transportation, treatment, storage, handling or disposal of hazardous substances or hazardous wastes.

11.4 (a) Discharge. If a release, spill or discharge of a hazardous substance or a hazardous waste occurs on or from the Property and/or Premises, Tenant shall give Landlord immediate oral and written notice of such release, spill and/or discharge, setting forth in reasonable detail all relevant facts, including, without limitation, a copy of (i) any notice of a violation, or a potential or alleged violation, of any Environmental Law received by Tenant or any subtenant or other occupant of the Premises; (ii) any inquiry, investigation, enforcement, cleanup, removal, or other action instituted or threatened against Tenant or any subtenant or other occupant of the Premises; (iii) any claim instituted or threatened against Tenant or any subtenant or other occupant of the Premises; and (iv) any notice of the restriction, suspension, or loss of any environmental operating permit by Tenant or any subtenant or other occupant of the Premises. If a release, spill or discharge arises out of or relates to Tenant's use and occupancy of the Premises, or if a release, spill or discharge is caused by the act, negligence or omission of Tenant or Tenant's Visitors, then Tenant shall pay all costs and expenses relating to compliance with applicable Environmental

Laws (including, without limitation, the costs and expenses of site investigations and the removal and remediation of such hazardous substance or hazardous waste).

(b) Landlord's Cleanup Rights. Without relieving Tenant of its obligations under this Lease and without waiving any default by Tenant under this Lease, Landlord will have the right, but not the obligation, to take such action as Landlord deems necessary or advisable to investigate or remove any hazardous substance or hazardous waste, or to investigate, cleanup, resolve or minimize the impact of or otherwise deal with any release, spill or discharge of any hazardous substance or hazardous waste on or from the Property. If the need for such investigation or removal of any hazardous substance or hazardous waste, or for the investigation or cleanup of a release, spill or discharge arises out of or relates to Tenant's use and occupancy of the Premises, or if the need for investigation or removal of such hazardous substance or hazardous waste, or for investigation or cleanup of any release, spill or discharge is caused by the act, negligence or omission of Tenant or Tenant's Visitors, then Tenant shall, on demand, pay to Landlord all costs and expenses incurred by Landlord in connection with any action taken in connection therewith by Landlord.

11.5 (a) ISRA. If Tenant's operations at the Premises now or hereafter qualify the Premises as an "Industrial Establishment" (as defined under ISRA) or are subject to the provisions of any other Environmental Law, then Tenant agrees to comply, at its sole cost and expense, with all requirements of ISRA and/or any other applicable Environmental Law to the satisfaction of Landlord and the governmental entity, department or agency having jurisdiction over such matters (including, but not limited to, performing site investigations and performing any removal and remediation required in connection therewith) in connection with (i) the occurrence of the Termination Date, (ii) any termination of this Lease prior to the Termination Date, (iii) any closure, transfer or consolidation of Tenant's operations at the Premises, (iv) any change in the ownership or control of Tenant, (v) any permitted assignment of this Lease or permitted sublease of all or part of the Premises or (vi) any other action by Tenant which triggers ISRA or any other Environmental Law.

(b) Compliance with ISRA. Tenant further agrees to implement and execute all of the provisions of this section in a timely manner so as to coincide with the termination of this Lease or to coincide with the vacating of the Premises by Tenant at any time during the term of this Lease. In connection with subsection (a) above, if, with respect to ISRA, Tenant fails to obtain an unconditional final remediation document (as defined in ISRA) from the New Jersey Department of Environmental Protection ("**NJDEP**") or a New Jersey Licensed Site Remediation Professional (as defined in ISRA), as the case may be, and evidence reasonably satisfactory to Landlord that all conditions to the effectiveness of such final remediation document have been fully satisfied (including, for example, evidence that the document has been executed and delivered by all parties and, if applicable, filed with NJDEP); or if Tenant fails to otherwise comply with the provisions of ISRA prior to the Termination Date; or if, with respect to any other Environmental Law, Tenant fails to fully comply with the applicable provisions of such other Environmental Law prior to the Termination Date, then in any of the foregoing cases, Tenant will be deemed to be a holdover tenant and shall pay rent at the rate set forth in Section 24.3 and shall continue to diligently pursue compliance with ISRA and/or such other Environmental Law. Upon Tenant's full compliance with the provisions of ISRA or of such other Environmental Law, Tenant shall deliver possession of the Premises to Landlord in accordance with the provisions of this Lease and

such holdover rent shall be adjusted as of said date. Without limiting Tenant's obligations hereunder, if NJDEP commences an audit with respect to, or otherwise challenges or disapproves, any final remediation document, then Tenant shall take all actions required by NJDEP and Landlord to comply with the provisions of ISRA in connection therewith.

11.6 (a) Landlord's ISRA Compliance. In connection with (i) any sale or other disposition of all or part of Landlord's interest in the Property, (ii) any change in the ownership or control of Landlord, (iii) any foreclosure or (iv) any other action by Landlord which triggers ISRA or any other Environmental Law, Landlord shall comply, at its sole cost and expense (without reimbursement as Landlord's CAM Expenses), with all requirements of ISRA and such other applicable Environmental Law; provided, however, that if any site investigation is required as a result of Tenant's use and occupancy of the Premises or a release, spill or discharge of a hazardous substance or hazardous waste caused by the act, negligence or omission of Tenant or Tenant's Visitors, then Tenant shall pay all costs associated with such site investigation and, if any removal and remediation is required as a result of the presence of a hazardous substance or hazardous waste, or any release, spill or discharge of a hazardous substance or hazardous waste caused by the act, negligence or omission of Tenant or Tenant's Visitors, then Tenant shall, upon demand by Landlord, pay all costs associated with such removal and remediation.

(b) Tenant's Cooperation. If, in order to comply with any Environmental Law, Landlord requires any affidavits, certifications or other information from Tenant, Tenant shall, at no charge to Landlord, deliver the same to Landlord within ten (10) Business Days of Landlord's request therefor.

11.7 Notices. If Landlord has given to Tenant the name and address of any holder of an Underlying Encumbrance, Tenant agrees to send to said holder a photocopy of those items given to Landlord pursuant to the provisions of Section 11.2.

11.8 Survival. Each Party's obligations under this Article 11 shall survive the expiration or earlier termination of this Lease.

11.9 North American Industry Classification System. Tenant hereby represents and warrants to Landlord that Tenant's operations at the Premises will at all times have the following North American Industry Classification System ("**NAICS**") code: 325412.

ARTICLE 12 DISCHARGE OF LIENS

Within fifteen (15) days after receipt of notice thereof, Tenant shall discharge any Lien on the Property, the Basic Rent, Additional Rent or any other sums payable under this Lease caused by or arising out of Tenant's acts or Tenant's failure to perform any obligation under this Lease.

ARTICLE 13 PERMITTED CONTESTS

Tenant may, by appropriate proceedings, contest the amount, validity or application of any Legal Requirement which Tenant is obligated to comply with or any Lien which Tenant is obligated to discharge, provided that (a) such proceedings suspend the collection thereof, (b) no

part of the Premises, Basic Rent or Additional Rent or any other sum payable hereunder is subject to loss, sale or forfeiture during such proceedings, (c) Landlord is not subject to any civil or criminal liability for failure to pay or perform, as the case may be, (d) Tenant furnishes such security as may be required in the proceedings, (e) such proceedings do not affect the payment of Basic Rent, Additional Rent or any other sum payable to Landlord hereunder or prevent Tenant from using the Premises for its intended purposes, and (f) Tenant notifies Landlord of such proceedings not less than ten (10) days prior to the commencement thereof and describes such proceedings in reasonable detail. Tenant shall conduct all such contests in good faith and with due diligence and shall, promptly after the determination of such contest, pay all amounts required to be paid by Tenant.

ARTICLE 14 INSURANCE; INDEMNIFICATION

14.1 (a) Tenant's Insurance. Tenant shall obtain, and shall keep in full force and effect, the following insurance, with insurers that are authorized to do business in the State of New Jersey and are rated at least A (Class X) in Best's Key Rating Guide:

- (i) Commercial general liability insurance, which shall include premises liability, contractual liability covering Tenant's indemnity obligations under this Lease (to the extent covered as an Insured Contract in a standard ISO GCL Policy), fire legal liability, personal & advertising injury and products/completed operations coverage. The policy shall insure against claims for bodily injury, personal injury, death or property damage occurring on, in or about the Premises with limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate. If the policy covers other locations owned or leased by Tenant, then such policy must include an aggregate limit per location endorsement.
- (ii) Special form ("all risk") property insurance, insuring all equipment, trade fixtures, inventory, fixtures and personal property and any alterations, additions and improvements installed by Tenant, located on or in the Premises with an agreed endorsement amount equal to the full replacement value of such property.
- (iii) Workers' compensation insurance as required by applicable laws of the State in which the Premises is located, including employers' liability insurance with limits of not less than: (x) \$100,000.00 per accident; (y) \$500,000.00 disease, policy limit; and (z) \$100,000.00 disease, each employee.
- (iv) Business interruption insurance with limits of not less than the amount necessary to cover continuing expenses including rents and extra expenses for at least one (1) year.
- (v) Excess or umbrella liability insurance with limits of not less than \$5,000,000.00 per occurrence and in the aggregate providing coverage excess and follow-form of the primary general and employer's liability insurances required hereto.
- (vi) Such other insurance as Landlord deems necessary and prudent or as may be required by any Lender or Master Landlord.

(vii) In addition to the above aforementioned insurances, and during any such time as any alterations or work is being performed at the Premises (except that work being performed by Landlord or on behalf of Landlord), Tenant, at its sole cost and expense, shall carry, or shall cause to be carried and shall deliver to Landlord at least ten (10) days prior to commencement of any such alteration or work, evidence of insurance with respect to (a) workers' compensation insurance covering all persons employed in connection with the proposed alteration or work in statutory limits, (b) general/excess liability insurance, in an amount commensurate with the work to be performed but not less than \$2,000,000.00 per occurrence and in the aggregate, for ongoing and completed operations insuring against bodily injury and property damage and naming all additional insured parties as outlined below and required of Tenant and shall include a waiver of subrogation in favor of such parties, (c) builders' risk insurance, to the extent such alterations or work may require, on a completed value form including permission to occupy, covering all physical loss or damages, in an amount and kind reasonably satisfactory to Landlord, and (d) such other insurance, in such amounts as Landlord deems reasonably necessary to protect Landlord's interest in the Premises from any act or omission of Tenant's contractors or subcontractors.

(b) Policy Requirements. The policies of insurance required to be maintained by Tenant pursuant to this Section 14.1 must be reasonably satisfactory to Landlord and must be written as primary policy coverage and not contributing with, or in excess of, any coverage carried by Landlord. All policies must name Tenant as the named insured party and, except for worker's compensation and property insurance, all policies shall name as additional insureds for on-going and completed operations (i) Landlord, (ii) GreenBarn Investment Group, (iii) the holder(s) of any mortgage(s) encumbering the Premises, and all of their respective affiliates, members, officers, employees, agents and representatives, managing agents and premises owners, and (iv) other designees of Landlord and its successors as the interest of such designees shall appear. In addition, Tenant agrees and shall provide thirty (30) days' prior written notice of suspension, cancellation, termination, or non-renewal of coverage to Landlord. All policies must include a contractual liability endorsement evidencing coverage of Tenant's obligation to indemnify Landlord pursuant to Section 14.3 hereof. Tenant shall not self-insure for any insurance coverage required to be carried by Tenant under this Lease. The deductible for any insurance policy required hereunder must not exceed \$10,000.00. Tenant shall have the right to provide the insurance coverage required under this Lease through a blanket policy, provided such blanket policy expressly affords coverage to the Premises and to Landlord as required by this Lease.

(c) Certificates of Insurance. Prior to the Commencement Date, Tenant shall deliver to Landlord certificates of insurance evidencing all insurance Tenant is obligated to carry under this Lease, together with a copy of the endorsement(s), specifically, including, but not limited to, Waiver of Rights to Recover From Others, Additional Insureds (on-going and completed operations) and Contractual Liability endorsements. Within ten (10) days prior to the expiration of any such insurance, Tenant shall deliver to Landlord original or duplicate policies or certificates of insurance evidencing the renewal of such insurance. Tenant's certificates of insurance must be on: (i) Acord Form 27 with respect to property insurance; and (ii) Acord Form 25-S with respect to liability insurance or, in each case, on successor forms approved by Landlord, and in any event state as the certificate holder: Compliance Services Corporation, on behalf of GreenBarn Investment Group, P.O. Box 2750, Montgomery Village, MD 20886, or any alternative certificate holder as Landlord directs from time to time.

(d) No Separate Insurance. Tenant shall not obtain or carry separate insurance concurrent in form or contributing in the event of loss with that required by Section 14.1(a) unless Landlord and Tenant are named as insureds therein.

(e) Tenant's Failure to Maintain Insurance. If Tenant fails to maintain the insurance required by this Lease, Landlord may, but shall not be obligated to, obtain, and pay the premiums for, such insurance. Upon demand, Tenant shall pay to Landlord all amounts paid by Landlord pursuant to this Section 14.1(e).

14.2 Waivers and Waiver of Subrogation. Landlord and Tenant agree to have all property insurance policies which are required to be carried by either of them hereunder endorsed to provide that the insurer waives all rights of subrogation which such insurer might have against the other party and Landlord's mortgagee, if any. By this clause, the parties intend and hereby agree that the risk of loss or damage to property shall be borne by the parties' insurance carriers. It is hereby agreed that Landlord and Tenant shall look solely to, and seek recovery from, only their respective insurance carriers in the event a loss is sustained for which property insurance is carried or is required to be carried under this Lease. Without limiting any release or waiver of liability or recovery contained in any other Section of this Lease but rather in confirmation and furtherance thereof, Landlord waives all claims for recovery from Tenant, and Tenant waives all claims for recovery from Landlord, and their respective agents, partners and employees, for any loss or damage to any of its property insured under the insurance policies required hereunder. The provisions of this Section 14.2 will survive the expiration or earlier termination of this Lease.

14.3 Indemnification. (a) Tenant hereby indemnifies, and shall pay, protect and hold harmless Landlord from and against all liabilities, losses, claims, demands, costs, expenses (including attorneys' fees and expenses) and judgments of any nature, (except to the extent Landlord is compensated by insurance maintained by Landlord or Tenant hereunder and except for such of the foregoing as arise from the gross negligence or willful misconduct of Landlord, its agents, servants or employees), arising from or in connection with (i) any injury to, or the death of, any person or loss or damage to property on or about the Premises during the Term, (ii) any violation of any Legal Requirement or Insurance Requirement by Tenant or Tenant's Visitors, (iii) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises by or on behalf of Tenant, (iv) Tenant's occupancy of the Premises, (including, but not limited to, statutory liability and liability under workers' compensation laws), (v) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, and (vi) the negligence or willful misconduct of Tenant or Tenant's Visitors. Tenant shall, at its sole cost and expense, defend any action, suit or proceeding brought against Landlord by reason of any such occurrence with independent counsel selected by Tenant and reasonably acceptable to Landlord. The obligations of Tenant under this Section 14.3(a) will survive the expiration or earlier termination of this Lease.

(b) Landlord hereby indemnifies, and shall pay, protect and hold Tenant harmless from and against all liabilities, losses, claims, demands, costs, expenses (including attorneys' fees and expenses) and judgments of any nature, (except to the extent Tenant is compensated by insurance and except for such of the foregoing as arise from the negligence or willful misconduct of Tenant or any Tenant's Visitors), arising from or in connection with (i) any breach or default by Landlord under the terms of this Lease and (ii) any negligent act or omission

of Landlord or its agents, employees or contractors. Landlord shall, at its sole cost and expense, defend any action, suit or proceeding brought against Tenant by reason of any such occurrence included in the foregoing indemnity with independent counsel selected by Landlord and reasonably acceptable to Tenant, it being agreed that Landlord's insurance carrier's counsel shall be deemed to be acceptable to Tenant. The obligations of Landlord under this Section 14.3(b) will survive the expiration or earlier termination of this Lease.

14.4 Landlord's Insurance. Landlord shall, at all times during the Term, procure and continue in force (i) commercial general liability insurance covering the Common Areas and Landlord's indemnity obligations (to the extent normally available in a commercial general liability policy) set forth herein at limits no less than those required by Landlord's mortgagee, and (ii) Special Form "All Risk" property insurance covering the full replacement cost of the Building with no coinsurance limitation and including all coverages and perils as required by Landlord's mortgagee.] .

14.5 No Claims. Tenant shall not make any claim against Landlord for (a) any damage to, or loss of, any property of Tenant or any other person, (b) business interruption or consequential damages, or (c) any acts or omissions of any other tenants in the Building or on the Property. Tenant hereby waives all of claims against Landlord with respect to the foregoing. The provisions of this Section 14.5 will survive the expiration or earlier termination of this Lease.

ARTICLE 15 ESTOPPEL CERTIFICATES

15.1 Estoppel Certificates. Upon not less than ten (10) Business Days' prior notice by Landlord, Tenant shall execute and deliver to Landlord a statement certifying (i) the Commencement Date, (ii) the Termination Date, (iii) the dates of any amendments or modifications to this Lease, (iv) that this Lease was properly executed and is in full force and effect without amendment or modification, or, alternatively, that this Lease and all amendments and modifications have been properly executed and are in full force and effect, (v) the current annual Basic Rent, the current monthly installments of Basic Rent and the date on which Tenant's obligation to pay Basic Rent commenced, (vi) the current monthly installment of Additional Rent for Taxes and Landlord's Operating Expenses, (vii) the date to which Basic Rent and Additional Rent have been paid, (viii) the amount of the security deposit, if any, (ix) if applicable, that all work to be done to the Premises by Landlord has been completed in accordance with this Lease and has been accepted by Tenant, except as specifically provided in the estoppel certificate, (x) that no installment of Basic Rent or Additional Rent has been paid more than thirty (30) days in advance, (xi) that Tenant is not in arrears in the payment of any Basic Rent or Additional Rent, (xii) that, to the best of Tenant's actual knowledge, neither party to this Lease is in default in the keeping, observance or performance of any covenant, agreement, provision or condition contained in this Lease and no event has occurred which, with the giving of notice or the passage of time, or both, would result in a default by either party, except as specifically provided in the estoppel certificate, (xiii) that, to the best of Tenant's actual knowledge, Tenant has no existing defenses, offsets, liens, claims or credits against the Basic Rent or Additional Rent or against enforcement of this Lease by Landlord, except as specifically provided in the estoppel certificate, (xiv) that Tenant has not been granted any options or rights of first refusal to extend the Term, to lease additional space, to terminate this Lease before the Termination Date or to purchase the Premises, except as specifically provided in this Lease, (xv)

that Tenant has not received any notice of violation of any Legal Requirement or Insurance Requirement relating to the Building or the Premises, except as specifically provided in the estoppel certificate, (xvi) that Tenant has not assigned this Lease or sublet all or any portion of the Premises, except as specifically provided in the estoppel certificate, (xvii) that no “hazardous substances” or “hazardous wastes” have been generated, manufactured, refined, transported, treated, stored, handled, disposed or spilled on or about the Premises, and (xviii) such other matters as reasonably requested by Landlord. Tenant hereby acknowledges and agrees that such statement may be relied upon by any mortgagee, or any prospective purchaser, tenant, subtenant, mortgagee or assignee of any mortgage, of the Property or any part thereof.

15.2 Failure to Execute Estoppel Certificate. If Tenant fails or otherwise refuses to execute an estoppel certificate in accordance with Section 15.1, then Landlord shall have the right to deliver to Tenant a second notice in accordance with the terms of this Lease stating, in bold font, that Tenant has failed to timely deliver the estoppel certificate pursuant to Section 15.1, together with a fully completed estoppel certificate. If Tenant fails to deliver to Landlord an executed estoppel certificate satisfying the criteria set forth in Section 15.1 within five (5) Business Days after the delivery of such second notice, then Tenant shall be deemed to be estopped from raising any claims which are contrary to the statements set forth in the estoppel certificate delivered by Landlord.

ARTICLE 16 ASSIGNMENT AND SUBLETTING

16.1 Prohibition. Except as otherwise expressly provided in this Article 16, Tenant shall not sell, assign, transfer, hypothecate, mortgage, encumber, grant concessions or licenses, sublet, or otherwise dispose of any interest in this Lease or the Premises, by operation of law or otherwise, without Landlord’s prior written consent, which consent for any sublease or assignment in accordance with this Lease shall not be unreasonably withheld, conditioned or delayed. Any consent granted by Landlord in any instance will not be construed to constitute a consent with respect to any other instance or request. If the Premises or any part thereof are sublet, used, or occupied by anyone other than Tenant, or if this Lease is assigned by Tenant, Landlord will have the right to collect rent from the assignee, subtenant, user or occupant, but no such assignment, subletting, use, occupancy or collection will be deemed (i) a waiver of any of Landlord’s rights or Tenant’s obligations under this Article 16, (ii) the acceptance of such assignee, subtenant, user or occupant as tenant, or (iii) a release of Tenant from the performance of any its obligations under this Lease.

16.2 Tenant’s Notice. If Tenant desires to sublet the Premises or assign this Lease, Tenant shall submit to Landlord a written notice (“***Tenant’s Notice***”) setting forth in reasonable detail:

- (a) the name and address of the proposed subtenant or assignee;
- (b) the terms and conditions of the proposed subletting or assignment (including the proposed commencement date of the sublease or the effective date of the assignment, which must be at least thirty (30) days after Tenant’s Notice is delivered to Landlord);

(c) the nature and character of the business of the proposed subtenant or assignee;

(d) banking, financial, and other credit information relating to the proposed subtenant or assignee in reasonably sufficient detail to enable Landlord to determine the proposed subtenant's or assignee's financial responsibility; and

(e) in the case of a subletting, complete plans and specifications for any work to be done in the Premises to be sublet.

16.3 Landlord's Response. Within thirty (30) days after Landlord's receipt of Tenant's Notice, Landlord shall notify Tenant whether Landlord (i) consents to the proposed sublet or assignment, or (ii) does not consent to the proposed sublet or assignment. Without limiting other reasons for which Landlord may withhold its consent, Landlord will have the right to withhold its consent to the proposed sublease or assignment if (1) the proposed assignee's or subtenant's financial condition is not, in the reasonable judgment of Landlord, comparable to that of Tenant on the date this Lease was executed, (2) the proposed sublease or assignment would be to an existing tenant, subtenant or other occupant of the Building (or to any subsidiary or affiliate of the foregoing), (3) the proposed sublease or assignment would be to any prospective tenant (or to a subsidiary or affiliate thereof) with whom Landlord has negotiated for the leasing of space in the Building during the six (6) month period prior to Landlord's receipt of Tenant's Notice, (4) the business of the proposed subtenant or assignee is not compatible with the type of occupancy of the Building, or such business will create increased use of the facilities of the Building, (5) the business of the proposed subtenant or assignee, as determined by its North American Industry Classification System code, would make it subject to the provisions of ISRA, or (6) the proposed sublease or assignment might adversely affect the quality or marketability of either the rentable area or the Building.

16.4 Requirements. In addition to the foregoing requirements,

(a) no assignment or sublease will be permitted if, at the effective date of such assignment or sublease, Tenant is in default under this Lease beyond any applicable notice and cure periods;

(b) no assignment or sublease will be permitted unless Tenant agrees, at the time of the proposed assignment or sublease and in Tenant's Notice, to pay to Landlord, immediately upon receipt thereof, fifty percent (50%) of all Net Rental Proceeds;

(c) Tenant shall not advertise in any publication, flyer or electronic communication any sublease or assignment at a rate that is below the then market rate being charged by Landlord for space of like availability and quantity; and

(d) Tenant shall pay Landlord within thirty (30) days after demand, as Additional Rent, all reasonable costs and expenses incurred or paid by Landlord in connection with any proposed assignment or subletting, including, without limitation, the costs of making investigations as to the acceptability of the proposed assignee or sublessee and any reasonable legal fees and expenses incurred in connection with the review of the proposed assignment or sublease and all of the documents and other information related thereto (which costs and expenses

Tenant covenants and agrees to pay regardless of whether Landlord consents to the proposed assignment or sublease). Landlord's costs and expenses under this Section 16.4(d) shall not exceed five thousand dollars (\$5,000) except that there shall be no cap on the costs and expenses associated with the review and/or negotiation of amendments or modifications to this Lease in connection with the proposed assignment or sublease.

16.5 Intentionally Omitted.

16.6 Sublease Requirements. In addition to the foregoing requirements, each sublease must contain the following provisions:

(a) The sublease must be subject and subordinate to all of the terms and conditions of this Lease.

(b) At Landlord's option, if this Lease terminates prior to the expiration of the sublease, the subtenant must make full and complete attornment to Landlord for the balance of the term of the sublease. Such attornment must be evidenced by an agreement in form and substance satisfactory to Landlord executed and delivered by subtenant within five (5) days after Landlord's request therefor.

(c) The term of the sublease must not extend beyond a date which is one day prior to the Termination Date.

(d) The subtenant will not be permitted to further sublet all or any portion of the subleased space or to assign its sublease without Landlord's prior written consent.

(e) The subtenant must waive the provisions of any law that gives the subtenant any right to terminate the sublease or to surrender possession of the subleased if Landlord brings any proceedings to terminate this Lease.

16.7 Permitted Transfers. Notwithstanding anything to the contrary contained in this Article 16, any sublease or assignment to a Tenant Affiliate or Tenant Successor will not require Landlord's consent and will not be subject to Sections 16.1 (first sentence only), 16.2(d), 16.3, 16.4(b) and (d), 16.5, 16.8, 16.12, 16.16 and 16.17, but all other provisions of this Article 16 will apply to such sublease or assignment. Tenant shall furnish Landlord with a copy of such sublease or assignment within five (5) days after execution thereof. "**Tenant Affiliate**" means any corporation or other entity controlled by, under common control with or which controls the original Tenant named in this Lease or in which original Tenant named in this Lease, directly or indirectly, has a fifty percent (50%) or greater voting or ownership interest. "**Tenant Successor**" means mean (a) a corporation or other business entity which is the surviving entity resulting from a merger or consolidation with, or other reorganization of, Tenant, its successors or assigns, completed in accordance with applicable statutory provisions for the merger, consolidation or reorganization, provided that by operation of law or by effective provisions contained in the instruments of merger or consolidation, or reorganization the liabilities of the corporations or other business entities participating in such merger, consolidation or reorganization are assumed by the corporation or other business entity surviving such merger, consolidation or reorganization, or (b) a corporation or other business entity acquiring all or substantially all of the assets of Tenant, including the leasehold estate created by this Lease, and assuming the obligations of Tenant under this Lease, or

(c) a corporation or other business entity acquiring all or substantially all of the outstanding stock or other ownership interest of Tenant; provided that such merger, consolidation, reorganization or acquisition, whichever the case may be, is not principally for the purpose of transferring the leasehold estate created hereby; and provided further that immediately after giving effect to any such merger, consolidation, reorganization or acquisition, whichever the case may be, the corporation or other business entity surviving such merger or created by such consolidation or reorganization, or acquiring such assets or such stock, as the case may be, shall have a net worth (excluding any amounts attributable to good will) which is equal to or greater than the net worth of Tenant immediately preceding the merger, consolidation, reorganization or acquisition. Tenant shall provide Landlord with evidence, reasonably satisfactory to Landlord, that such net worth requirement is satisfied.

16.8 Events Constituting Assignment. Each of the following events will be deemed to be an assignment of this Lease and will require the prior written consent of Landlord in compliance with this Article 16 (including the delivery of a Tenant's Notice):

- (a) any assignment or transfer of this Lease by operation of law;
- (b) any hypothecation, pledge, or collateral assignment of this Lease;
- (c) any involuntary assignment or transfer of this Lease in connection with bankruptcy, insolvency, receivership, or similar proceeding;
- (d) any assignment, transfer, disposition, sale or acquisition of a controlling interest in Tenant to or by any person, entity, or group of related persons or affiliated entities, whether in a single transaction or in a series of related or unrelated transactions, except as set forth in Section 16.7; or
- (e) any issuance of an interest or interests in Tenant (whether stock, partnership interests, or otherwise) to any person, entity, or group of related persons or affiliated entities, whether in a single transaction or in a series of related or unrelated transactions, which results in such person, entity, or group holding a controlling interest in Tenant. For purposes of the immediately foregoing, a "controlling interest" of Tenant means 50% or more of the aggregate issued and outstanding equitable interests (whether stock, partnership interests, membership interests or otherwise) of Tenant or the ability to control the management of Tenant.

16.9 Assumption. It is a further condition to the effectiveness of any assignment otherwise complying with this Article 16 that the assignee execute, acknowledge, and deliver to Landlord an agreement in form and substance reasonably satisfactory to Landlord whereby the assignee assumes all obligations of Tenant under this Lease and agrees that the provisions of this Article 16 will continue to be binding upon it with respect to all future assignments and deemed assignments of this Lease.

16.10 Tenant Remains Liable. No assignment of this Lease or any sublease of all or any portion of the Premises will release or discharge Tenant from any liability under this Lease and Tenant will continue to remain primarily liable under this Lease.

16.11 Permits and Approvals. Tenant will be responsible for obtaining all required permits and approvals in connection with any assignment of this Lease or any subletting of the Premises. Tenant shall deliver copies of all such permits and approvals to Landlord prior to the commencement of any construction work, if construction work is to be done in connection with such sublease or assignment. Tenant shall, upon demand, reimburse Landlord for all actual and reasonable third party costs, including, but not limited to, reasonable attorneys' fees and disbursements, incurred by Landlord in reviewing any permits, approvals, and applications in connection with any construction to be performed in the Premises, up to the maximum amount of \$5,000 per review.

16.12 Deadline for Consummation of Assignment or Sublease. If Landlord consents to any proposed assignment or sublease and Tenant fails to consummate such assignment or sublease within ninety (90) days after Landlord gives such consent, Tenant will be required to again comply with all of the provisions this Article 16 before assigning this Lease or subletting any part of the Premises. Within ten (10) days after the execution of any sublease or assignment, Tenant shall deliver to Landlord a fully-executed copy of such sublease or assignment.

16.13 No Liability. Under no circumstances will Landlord be liable to Tenant for any failure or refusal to grant its consent to any proposed assignment or sublease. Tenant shall not claim any money damages by way of setoff, counterclaim or defense, based on any claim that Landlord unreasonably withheld its consent to any proposed sublease or assignment. Tenant's sole and exclusive remedy will be an action for specific performance, injunction or declaratory judgment.

16.14 Indemnification. If Landlord withholds its consent to any proposed assignment or sublease, Tenant shall defend, indemnify, and hold Landlord harmless from and against all liability, damages, costs, fees, expenses, penalties, and charges (including, but not limited to, reasonable attorneys' fees and disbursements) arising out of any claims made by any brokers or other persons claiming a commission or similar compensation in connection with the proposed assignment or sublease.

16.15 (a) Bankruptcy. Notwithstanding anything to the contrary contained in this Lease, if this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, all consideration payable in connection with such assignment shall be paid to Landlord and will be and remain the exclusive property of Landlord and will not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. All consideration constituting Landlord's property under the preceding sentence not paid to Landlord shall be held in trust for the benefit of Landlord and be promptly paid to or turned over to Landlord.

(b) Adequate Assurance. If Tenant proposes to assign this Lease pursuant to the provisions of the Bankruptcy Code to any person or entity who has made a bona fide offer to accept an assignment of this Lease on terms acceptable to Tenant, then Tenant shall deliver to Landlord written notice of such proposed assignment setting forth (i) the name and address of such person or entity, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided by Tenant to assure such person's or entity's future performance under this Lease, including, without limitation, the assurance referred to in Section 365(b)(3) of the Bankruptcy Code, or any such successor or substitute legislation or rule thereto, shall be given to Landlord by

Tenant no later than twenty (20) days after receipt by Tenant, but in any event no later than ten (10) days prior to the date Tenant makes application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. For the purposes of clause (iii) above, "adequate assurance" means the deposit of cash security in an amount equal to the Basic Rent and Additional Rent payable under this Lease for the next succeeding twelve (12) months (which annual Additional Rent shall be reasonably estimated by Landlord). Landlord will thereupon have the right, exercisable by written notice to Tenant given at any time prior to the effective date of the proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such entity or person for the assignment of this Lease. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code will be deemed without further act or deed to have assumed all of the obligations arising under this Lease on or after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Landlord an instrument confirming such assumption.

16.16 Intentionally Omitted.

16.17 Cancellation of Termination Rights. If Landlord consents to any proposed assignment or sublease consisting of fifty percent (50%) or more of the rentable square footage of the Premises, any rights of Tenant to cancel or terminate this Lease early (other than pursuant to Article 17 or Article 18) shall thereafter be null and void and of no further force or effect.

ARTICLE 17
CASUALTY

17.1 Notice. If any part of the Premises is damaged, Tenant shall promptly notify Landlord in writing of the extent of such damage.

17.2 Premises Not Untenantable. If the Premises are damaged, but no portion thereof is rendered untenantable, and this Lease is not terminated pursuant to Sections 17.4 or 17.5, Landlord shall, at its own expense, cause the Restoration to be completed as soon as reasonably practicable and the Basic Rent and Additional Rent will not abate.

17.3 Premises Untenantable. If the Premises are damaged and rendered partially or wholly untenantable, and this Lease is not terminated pursuant to Section 17.4 or 17.5, Landlord shall, at its own expense, cause the Restoration to be completed as soon as reasonably practicable, and the Basic Rent and Additional Rent will be equitably abated from the period beginning on the date of casualty and continuing until the Restoration is completed such that Tenant can resume its business operations at the Premises.

17.4 Termination. (a) If the Building is damaged and, in Landlord's sole judgment, the total cost of Restoration will equal or exceed thirty percent (30%) or more of the full insurable value of the Building, then Landlord will have the right to terminate this Lease by delivering a written termination notice to Tenant within sixty (60) days after the occurrence of such casualty. If Landlord exercises its right to terminate this Lease pursuant to this Section 17.4, all Basic Rent and Additional Rent will be prorated as of the date such casualty.

(b) If the Premises and/or the Building are damaged and, in Landlord's sole but reasonable judgment, Restoration cannot be completed within three hundred sixty five (365) days or a material portion of the Premises is damaged and rendered untenable during the final year of the Term, Landlord and Tenant will each have the right to terminate this Lease by delivering a written termination notice to the other party within sixty (60) days after the occurrence of such casualty (or, with respect to Tenant, within sixty (60) days after Landlord notifies Tenant that it will take more than three hundred sixty five (365) days to complete Restoration). If either Landlord or Tenant exercises its right to terminate this Lease pursuant to this Section 17.4, all Basic Rent and Additional Rent will be prorated as of the date of such casualty.

17.5 Restoration. If the Net Award received by Landlord plus the amount of the Landlord's deductible is not adequate to complete Restoration or if the holder of any Underlying Encumbrance elects to retain the Net Award, Landlord will have the right to terminate this Lease by delivering a written termination notice to Tenant within sixty (60) days after the amount of such Net Award is ascertained or the date on which the holder of any Underlying Encumbrance notifies Landlord that it has elected to retain the Net Award. If Landlord exercises its right to terminate this Lease pursuant to this Section 17.5, all Basic Rent and Additional Rent will be prorated as of the date of such casualty.

ARTICLE 18 CONDEMNATION

18.1 Taking. Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant becomes entitled by reason of any Taking of all or any part of the Property, except that Tenant will be entitled to any award or payment for the Taking of Tenant's trade fixtures or personal property or for relocation or moving expenses, provided the amount of the Net Award payable to Landlord with respect to the fee interest is not diminished. All amounts payable pursuant to any agreement with any condemning authority made in settlement of or under threat of any condemnation or other eminent domain proceeding will be deemed to be an award made in such proceeding. Tenant agrees that this Lease will control the rights of Landlord and Tenant with respect to any Net Award and any contrary provision of any present or future law is hereby waived.

18.2 Entire Premises. In the event of a Taking of the entire Premises, the Term will terminate as of the date when possession is taken by the condemning authority and all Basic Rent and Additional Rent will be prorated as of such date.

18.3 Portion of Premises. In the event of a Taking of twenty-five percent (25%) or more of the Premises, if Tenant determines in good faith that the Taking will have a permanent, material, adverse affect on Tenant's operations at the Premises, Tenant may, at any time either prior to or within sixty (60) days after the date the condemning authority takes possession of the applicable portion of the Premises, elect to terminate this Lease by delivering a written termination notice to Landlord. If Tenant fails to exercise such termination option, or if such option does not apply to a Taking, (i) Landlord shall, subject to any Excusable Delay and Section 18.4, cause Restoration to be completed as soon as reasonably practicable, but in no event later than ninety (90) days after the date the condemning authority takes possession of the applicable portion of the Premises, and (ii) the Basic Rent and Additional Rent thereafter payable will be equitably prorated based upon the square footage of the Premises actually taken.

18.4 Restoration. If (a) the Net Award is inadequate to complete Restoration, or (b) in the case of a Taking of thirty percent (30%) or more of the Premises, Tenant has not elected to terminate this Lease pursuant to Section 18.3 hereof, then Landlord may elect either to complete such Restoration or terminate this Lease by delivering a written termination notice to Tenant within sixty (60) days after (i) the date the amount of the Net Award is ascertained, or (ii) the expiration of the sixty (60) day period during which Tenant may terminate this Lease pursuant to Section 18.3 (or, if earlier, the date on which Tenant notifies Landlord that Tenant elects not to terminate this Lease). If Landlord terminates this Lease pursuant to this Section 18.4, all Basic Rent and Additional Rent will be apportioned as of the date the condemning authority takes possession of the Premises. Landlord's obligation to perform Restoration is subject to the Net Award being made available to Landlord by any Lender or Master Landlord whose interest may be superior to Landlord.

ARTICLE 19 EVENTS OF DEFAULT

19.1 Events of Default. Any of the following occurrences, conditions or acts are an ***"Event of Default"*** under this Lease:

(a) Tenant fails to pay any Basic Rent, Additional Rent or other amount payable by Tenant and such default shall continue for five (5) days after notice of such late payment is given to Tenant.

(b) Tenant files a petition in bankruptcy pursuant to the Bankruptcy Code or under any similar federal or state law, or is adjudicated a bankrupt or becomes insolvent, or commits any act of bankruptcy as defined in any such law, or takes any action in furtherance of any of the foregoing.

(c) A petition or answer is filed proposing the adjudication of Tenant or any Guarantor as a bankrupt pursuant to the Bankruptcy Code or any similar federal or state law, and (i) Tenant or such Guarantor consents to the filing thereof, or (ii) such petition or answer is not discharged within sixty (60) days after the filing thereof.

(d) A receiver, trustee or liquidator (or other similar official) of Tenant or any Guarantor of all or substantially all of its business or assets or of the estate or interest of Tenant in the Premises is appointed and not be discharged within sixty (60) days thereafter or if Tenant or such Guarantor consents to or acquiesces in such appointment.

(e) The estate or interest of Tenant in the Premises is levied upon or attached in any proceeding and such process is not vacated or discharged within sixty (60) days after such levy or attachment.

(f) Tenant uses or permits the use of the Premises for any purpose other than expressly specified in Section 8.1.

(g) Tenant fails to comply with any of the provisions of Article 11.

12. (h) Tenant fails to discharge any Lien within the time period set forth in Article

(i) Tenant fails to maintain the insurance required by Article 14, or Tenant fails to deliver to Landlord the insurance certificates required by Article 14 within the time periods set forth in Section 14.1(c).

(j) Tenant fails to deliver to Landlord the estoppel certificate required by Article 15 within the time period set forth therein and such default continues for five (5) Business Days following notice to Tenant.

(k) Tenant assigns this Lease or sublets all or any portion of the Premises without complying with all the provisions of Article 16.

(l) Tenant fails to deliver to Landlord the subordination agreement required by Section 23.1 within the time period set forth therein and such default continues for five (5) Business Days following notice to Tenant.

(m) Tenant fails to comply with any Legal Requirement or Insurance Requirement, and such failure continues for a period of ten (10) days after Landlord gives notice to Tenant specifying such default and demanding that the same be cured.

(n) Tenant defaults in the observance or performance of any provision of this Lease other than those provisions contemplated by clauses (a) through (m) of this Section 19.1 and such default continues for thirty (30) days after Landlord gives notice to Tenant specifying such default and demanding that the same be cured (provided, however, if such default cannot reasonably be cured within thirty (30) days, Tenant shall be allowed additional time as is reasonably necessary to cure the failure so long as Tenant begins the cure within thirty (30) days and diligently pursues the cure to completion).

Notwithstanding anything contained in this Section 19.1 to the contrary, in the event of an Emergency, each provision of this Section 19.1 regarding the time period within which to correct a non-monetary default will be deemed to be "as soon as possible" with diligent, continuous prosecution of corrective action. "**Emergency**" means a condition or potential condition that requires immediate action to (i) preserve the safety of persons or property, (ii) prevent the interruption or suspension of services deemed critical by Landlord to the operation of the Building, or (iii) avoid or correct a violation of any Legal Requirement.

ARTICLE 20 CONDITIONAL LIMITATIONS, REMEDIES

20.1 Termination. This Lease and the Term and estate hereby granted are subject to the limitation that, whenever an Event of Default has occurred and is continuing, Landlord will have the right, notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to terminate this Lease on a date specified in a written termination notice delivered to Tenant, which date must be at least fifteen (15) days after the date Tenant receives such termination notice. Upon the date specified in Landlord's termination notice, this Lease and the estate hereby

granted will terminate with the same force and effect as if the date specified in Landlord's notice was the Termination Date.

20.2 Remedies. (a) Upon any termination of this Lease pursuant to this Article 20, or as required or permitted by law, Tenant shall immediately quit and surrender the Premises to Landlord, and Landlord may, enter upon, re-enter, possess and repossess the same, but only through summary proceedings if Tenant remains in possession of the Premises, and again have, repossess and enjoy the same as if this Lease had not been made, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court will be entitled to possession or to remain in possession of the Premises but shall immediately quit and surrender the Premises.

(b) If Landlord terminates this Lease pursuant to this Article 20, Tenant will remain liable for (i) the sum of (x) all Basic Rent, Additional Rent and other amounts payable by Tenant hereunder until the date this Lease would have expired had such termination not occurred (but not including any unexercised Extension Period), and (y) all reasonable expenses incurred by Landlord in re-entering the Premises, repossessing the same, making good any default of Tenant, painting, altering or dividing the Premises, putting the same in proper repair, reletting the same (including any and all reasonable attorneys fees and disbursements and reasonable brokerage fees incurred in so doing), removing and storing any property left in the Premises by Tenant following such termination, and any and all reasonable expenses which Landlord may incur during the occupancy of any new tenant (other than expenses of a type that are Landlord's responsibility under the terms of this Lease); less (ii) the net proceeds of any reletting actually received by Landlord. Tenant agrees to pay to Landlord the difference between items (i) and (ii) above with respect to each month during the period that would have constituted the balance of the Term, at the end of such month. Any suit brought by Landlord to enforce collection of such difference for any one month will not prejudice Landlord's right to enforce the collection of any difference for any subsequent month. Tenant's liability under this Section 20.2(b) will survive the institution of summary proceedings and the issuance of any warrant thereunder.

(c) If Landlord terminates this Lease pursuant to this Article 20, Landlord will have the right, to require Tenant to pay to Landlord, on demand, as liquidated and agreed final damages in lieu of Tenant's liability under Section 20.2(b), an amount equal to the difference (discounted to the date of such demand at an annual rate of interest equal to the then-current yield on actively traded United States Treasury bills or United States Treasury notes having a maturity substantially comparable to the remaining term of this Lease as of the date of such termination, as published in the Federal Reserve Statistical Release for the week before the date of such termination) between (i) the Basic Rent and Additional Rent, computed on the basis of the then current annual rate of Basic Rent and Additional Rent and all fixed and determinable increases in Basic Rent, which would have been payable from the date of such demand to the date when this Lease would have expired if it had not been terminated (but not including any unexercised Extension Period), and (ii) the then fair rental value of the Premises for the same period less the costs of reletting expenses, including the cost to paint, alter or divide the space, put the same in proper repair, reasonable attorneys' fees and disbursements, reasonable brokerage fees. Upon payment of such liquidated and agreed final damages, Tenant will be released from all further liability under this Lease with respect to the period after the date of such demand, except for those obligations that expressly survive the termination of this Lease. If, after the Event of Default

giving rise to the termination of this Lease, but before presentation of proof of such liquidated damages, the Premises, or any part thereof, are relet by Landlord to a third party paying at least market rent for a term of one year or more, the amount of rent reserved upon such reletting will be deemed to be the fair rental value for the part of the Premises relet during the term of such reletting.

20.3 Liquidated Damages. Nothing herein contained will limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law whether such amount is greater or less than the excess referred to above.

20.4 Abandonment. If Tenant abandons the Premises, Landlord may, at its option and for so long as Landlord does not terminate Tenant's right to possession of the Premises, enforce all of its rights and remedies under this Lease, including the right to recover all Basic Rent, Additional Rent and other payments as they become due hereunder. Additionally, Landlord will be entitled to recover from Tenant all costs of maintenance and preservation of the Premises, and all costs, including attorneys' and receiver's fees, incurred in connection with the appointment of or performance by a receiver to protect the Premises and Landlord's interest under this Lease, if deemed reasonably necessary by Landlord, using its commercially reasonable judgment.

20.5 Indemnity Survives. Nothing herein will be deemed to affect Landlord's indemnification rights under Section 14.3.

20.6 Attorneys Fees. If either party brings an action or other proceeding to enforce or interpret any of the terms of this Lease, the non-prevailing party shall pay the reasonable attorneys fees and costs incurred by the prevailing party in such action or proceeding.

20.7 Landlord's Cure Rights. If Tenant is in default of any of its obligations under this Lease, Landlord may, without waiving such default, perform such obligations for the account and at the expense of Tenant (a) immediately and without notice in the case of Emergency or with respect to the imposition of any Lien against all or any portion of the Property, and (b) in any other case, if such default continues after thirty (30) days from the date Landlord delivers a written notice to Tenant stating Landlord's intention to perform such obligation for the account and at the expense of Tenant. Upon Landlord's demand, Tenant shall pay to Landlord all reasonable third party costs and expenses incurred by Landlord in performing any obligations of Tenant under this Lease.

20.8 Remedies Not Exclusive; No Waiver. Except as otherwise provided in this Article 20, no remedy or election hereunder will be deemed exclusive but will, wherever possible, be cumulative with all other remedies herein provided or permitted at law or in equity. No provision of this Lease will be deemed to have been waived by Landlord unless a written waiver from Landlord has first been obtained and, without limiting the generality of the foregoing, no acceptance of Basic Rent or Additional Rent subsequent to any default and no condoning, excusing or overlooking by Landlord on previous occasions of any default or any earlier written waiver will be taken to operate as a waiver by the Landlord or in any way defeat or otherwise affect the rights and remedies of the Landlord hereunder.

ARTICLE 21
ACCESS; RESERVATION OF EASEMENTS

21.1 Landlord's Access. (a) Landlord and Landlord's agents and representatives and parties designated by Landlord as having an interest in the Property will have the right, at all reasonable hours, on no less than one (1) Business Days' advance written notice, and in the presence of a representative of Tenant, to enter the Premises (excepting only any Secure Areas [as hereinafter defined], which shall be governed by Section 21.1(b) hereof) to: (1) examine the Premises; (2) make repairs and alterations that, in Landlord's sole judgment, are necessary for the safety and preservation of the Premises and the Building; (3) erect, maintain, repair or replace wires, cables, ducts, pipes, conduits, vents or plumbing equipment; (4) show the Premises to prospective new tenants during the last twelve (12) months of the Term; and (5) show the Premises to any mortgagees or prospective purchasers of the Property. Landlord shall give Tenant three (3) Business Days prior written notice before commencing any non-emergency repair or alteration.

(b) Tenant shall have the right to reasonably designate, by notice to Landlord, portions of the Premises (but in no event more than 2,000 square feet of the Premises) as secure areas (each, a "***Secure Area***") to which Landlord shall not have access without being accompanied by a representative of Tenant (except in the case of an emergency). Tenant shall have the right to have a representative accompany Landlord (and persons authorized by Landlord) during any entry into the Secure Areas, which representative Tenant agrees to make available upon Landlord's reasonable request with reasonable prior notice. If Tenant or Tenant's representative shall not be present when for any reason entry into the Secure Area shall be necessary because of an emergency or if otherwise permissible under this Lease, then Landlord or Landlord's agents may enter the same without such entry being deemed to be in violation of this Section 21.1(b).

21.2 Landlord will have the right, at any time, to (1) change the arrangement and/or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or any other public parts of the Building; (2) make repairs, alterations or improvements to any portion of the Building; (3) designate portions of the Building and the Property as Common Areas and change such designations from time to time in Landlord's sole discretion, (4) change the name and/or number of the Building; and (5) change lawns, sidewalks, driveways, parking areas and/or streets adjacent to or around the Building, in each instance so long as it does not materially interfere with Tenant's use of the Premises and its access thereto.

21.3 Emergency Access. Landlord may enter upon the Premises at any time in case of emergency without prior notice to Tenant.

21.4 No Liability. Landlord, in exercising any of its rights under this Article 21, will not be deemed guilty of an eviction, partial eviction, constructive eviction or disturbance of Tenant's use or possession of the Premises and will not be liable to Tenant for same.

21.5 Minimum Inconvenience. All work performed by Landlord in the Premises pursuant to this Article 21 shall be performed with as little inconvenience to Tenant's business as is reasonably possible.

21.6 Locks. Tenant shall not change any locks or install any additional locks on doors entering the Premises without immediately giving to Landlord a key to such lock. If, in an emergency, Landlord is unable to gain entry to the Premises by the unlocking the entry doors thereto, Landlord will have the right to forcibly enter the Premises and, in such event, Landlord will have no liability to Tenant for any damage caused thereby. Tenant will be solely responsible for any damage caused by Tenant's failure to give Landlord a key to any lock installed by Tenant.

21.7 Reservation of Rights. Landlord reserves the right to make changes, alterations, additions, improvements, repairs and replacements to (i) those portions of the Premises that Landlord is obligated to maintain and repair pursuant to Section 7.2, (ii) the Building and the Property, and (iii) fixtures and equipment in the Building, in each case as Landlord reasonably deems necessary to comply with any applicable Legal Requirements and/or to correct any unsafe condition; provided, however, that Landlord shall not unreasonably obstruct access to the Premises or unreasonably interfere with Tenant's use of the Premises. Nothing contained in this Article 21 will be deemed to relieve Tenant of any obligation to make any repair, replacement or improvement or comply with any applicable Legal Requirements.

ARTICLE 22 ACCORD AND SATISFACTION

No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated will be deemed to be other than on account of the earliest stipulated rent. No endorsement or statement on any check or any letter accompanying any payment of rent will be deemed an accord and satisfaction and Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

ARTICLE 23 SUBORDINATION

23.1 Subordination (a) Subject to Section 23.1(b), this Lease and the term and estate hereby granted are subject and subordinate to the lien of each mortgage which now or at any time hereafter affects all or any portion of the Property or Landlord's interest therein and to all ground or master leases which now or at any time hereafter affect all or any portion of the Property (any such mortgage or ground lease being referred to herein as an "***Underlying Encumbrance***"). Subject to Section 23.1(b), the subordination of this Lease and the term and estate hereby granted to an Underlying Encumbrance will be self-operative and no further instrument will be required to effect any such subordination; provided, however, that, upon not less than twenty (20) days' prior notice by Landlord, Tenant shall execute, acknowledge and deliver to Landlord any and all reasonable instruments that may be necessary or proper to effect such subordination or to confirm or evidence the same.

(b) Notwithstanding anything to the contrary contained in this Article 23, the subordination of this Lease to any Underlying Encumbrance arising after the date of this Lease shall be conditioned upon Tenant obtaining a subordination, non-disturbance and attornment agreement (duly executed and acknowledged) from the holder of the Underlying Encumbrance ("***Non-Disturbance Agreement***"). Any Non-Disturbance Agreement (including, without

limitation, a Non-Disturbance Agreement from Existing Lender obtained pursuant to Section 23.2 below) shall be either (i) in substantially the form annexed hereto as ***Schedule I***, or (ii) in such other commercially reasonable form reasonably acceptable to Tenant and the holder of the applicable Underlying Encumbrance. Within twenty (20) days after any request therefor from Landlord, Tenant shall execute, have acknowledged and deliver to Landlord or the holder of any Underlying Encumbrance any Non-Disturbance Agreement which satisfies the requirements of this Section 23.1(b).

23.2 Existing Lender. On or prior to the Commencement Date, Landlord shall obtain and deliver to Tenant a Non-Disturbance Agreement from the current holder of the mortgage encumbering the Property.

23.3 Conveyance by Landlord. If all or any portion of Landlord's estate in the Property is sold or conveyed to any person, firm or corporation upon the exercise of any remedy provided in any mortgage or by law or equity, such person, firm or corporation (a) will not be liable for any act or omission of Landlord under this Lease occurring prior to such sale or conveyance, except to the extent such act or omission continues following the date of such sale or conveyance, in which event the successor shall cure any existing default within a reasonable period of time provided the default is capable of being cured, (b) will not be subject to any offset, defense or counterclaim accruing prior to such sale or conveyance other than those offsets expressly set forth in this Lease, (c) will not be bound by any payment prior to such sale or conveyance of Basic Rent, Additional Rent or other payments for more than one month in advance (except for any unapplied security deposit), and (d) will be liable for the keeping, observance and performance of the other covenants, agreements, terms, provisions and conditions to be kept, observed and performed by Landlord under this Lease only during the period such person, firm or corporation holds such interest.

23.4 Cure Rights. In the event of a casualty or an act or omission by Landlord that gives Tenant the right to terminate this Lease or to claim a partial or total eviction, Tenant shall not exercise any such right or make any such claim until (i) Tenant has delivered written notice of such casualty, act or omission to the holder of each Underlying Encumbrance, and (ii) the holder of each Underlying Encumbrance has had a reasonable opportunity to, with reasonable diligence, remedy such casualty act or omission, not to exceed one hundred twenty (120) days from receipt of Tenant's notice. The provisions of this Section shall not be applicable until Landlord has provided Tenant with the name and current address of the holder of each Underlying Encumbrance.

23.5 Reasonable Modifications. If, in connection with obtaining financing for the Property or refinancing any mortgage encumbering the Property, the prospective Lender or Master Landlord requests reasonable modifications to this Lease as a condition precedent to such financing or refinancing, then Tenant shall not unreasonably withhold, delay or condition its consent to such modifications, provided that such modifications do not (i) increase the Basic Rent or Additional Rent, (ii) increase the security deposit, (iii) reduce the Term, (iv) affect the termination, extension or expansion options, (v) materially and adversely affect the leasehold interest created by this Lease, (vi) materially and adversely affect the manner in which Tenant's operations are conducted at the Premises, (vii) materially increase Tenant's obligations under this Lease, or (viii) materially decrease Tenant's rights under this Lease.

ARTICLE 24
TENANT'S REMOVAL

24.1 Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord broom clean in the condition required to be maintained under Article 7. Any personal property remaining in the Premises after the expiration or earlier termination of this Lease will be deemed to have been abandoned by Tenant and Landlord will have the right to retain such property as its own or dispose of such property at Tenant's sole cost and expense.

24.2 Landlord's Early Entry. If, at any time during the last six (6) months of the Term, Tenant is not occupying any part of the Premises in connection with the conduct of its business, Landlord may elect, at its option, to enter such part of the Premises to alter and/or redecorate the same. Tenant hereby irrevocably grants to Landlord a license to enter such part of the Premises to perform such alterations and/or redecorations, provided that Landlord shall use commercially reasonable efforts not to interfere with any remaining business operations at the Premises. Landlord's exercise of its rights under this Section 24.2 will not relieve Tenant from any of its obligation under this Lease.

24.3 Holding Over. If Tenant or any assignee or subtenant of Tenant, holds over possession of the Premises beyond the expiration or earlier termination of this Lease, such holding over will not be deemed to extend the Term or renew this Lease but such holding over will continue upon the terms, covenants and conditions of this Lease except that the charge for use and occupancy of the Premises for each calendar month (pro-rated for any portion thereof) that Tenant or such assignee or subtenant holds over will be a liquidated sum equal to the (i) Applicable Holdover Percentage times the Basic Rent plus (ii) the Additional Rent payable for the month immediately preceding the expiration or earlier termination of this Lease. The "***Applicable Holdover Percentage***" means (i) one hundred fifty percent (150%) for the first sixty (60) days following the Termination Date, and (ii) two hundred percent (200%) for all periods from and after the sixty-first (61st) day after the Termination Date. The parties recognize and agree that the damage to Landlord resulting from any failure by Tenant or any assignee or subtenant of Tenant to timely surrender possession of the Premises will exceed the amount of the monthly Basic Rent and Additional Rent and will be impossible to accurately measure. If the Premises are not surrendered within thirty (30) days after the expiration or earlier termination of this Lease, , Tenant shall indemnify, defend and hold harmless Landlord against any and all losses and liabilities resulting therefrom, including, without limitation, any claims made by any succeeding tenant founded upon such delay. Nothing contained in this Lease will be construed as a consent by Landlord to the occupancy or possession of the Premises beyond the expiration or earlier termination of this Lease. Tenant shall, at its sole cost and expense, take all actions required to remove any assignee or subtenant of Tenant, or other party claiming rights to the Premises under or through Tenant upon the expiration or earlier termination of the Term. The provisions of this Article 24 will survive the expiration or earlier termination of this Lease.

ARTICLE 25
BROKERS

Each Party represents and warrants to the other that it has not had any dealings or entered

into any agreements with any person, entity, realtor, broker, agent or finder in connection with the negotiation of this Lease other than the Brokers. Each Party shall indemnify, defend, and hold harmless the other from and against any loss, claim, damage, expense (including costs of suit and reasonable attorneys' fees) or liability for any compensation, commission or charges claimed by any other realtor, broker, agent or finder claiming to have dealt with the indemnifying party in connection with this Lease. Landlord shall pay Broker a commission in connection with this Lease pursuant to a separate written agreement between Landlord and Broker (the "**Commission Agreement**"). If (i) the commission for the initial Term of this Lease is due and payable to the Broker in accordance with the terms of the Commission Agreement (the "**Commission**"), (ii) Landlord has not paid the Broker such Commission within thirty (30) days of the date when such Commission is due pursuant to the Commission Agreement, and (iii) such failure continues for an additional thirty (30) days after Landlord receives notice from Tenant notifying Landlord of Tenant's intention to pay the Commission to Broker and offset the amount of the Commission if Landlord does not make payment within thirty (30) days after Landlord's receipt of Tenant's notice, then Tenant shall have the right to (x) pay the Commission to Broker, and (y) set off against the Basic Rent and Additional Rent first thereafter coming due, an amount equal to the Commission paid to Broker; provided, however, prior to setting off such amount against the Basic Rent and Additional Rent coming due hereunder Tenant shall deliver to Landlord evidence that Tenant has paid the Commission to Broker. The provisions of this Article 25 will survive the expiration or sooner termination of this Lease.

ARTICLE 26 NOTICES

Every notice or other communication required or contemplated by this Lease shall be in writing and sent by: (i) certified or registered mail, postage prepaid, return receipt requested, or (ii) nationally recognized overnight courier, such as Federal Express or UPS, in each case addressed to the intended recipient at the address set forth in the Basic Lease Provisions or at such other address as the intended recipient previously designated by written notice to the other party. Notwithstanding the foregoing, all invoices, statements and Building Communications may be served by ordinary mail or otherwise delivered to Tenant or left at the Premises. "**Building Communications**" means any notice relating to the operation or maintenance of the Building that is given to substantially all of the tenants of the Building, including, without limitation amendments to the Building Rules and Regulations. Any notice delivered by the attorney for Landlord or Tenant shall be deemed to be delivered by Tenant or Landlord, as the case may be.

ARTICLE 27 NONRECOURSE

Tenant will have no recourse against any individual or entity comprising Landlord, including, without limitation, the members, partners, directors, trustees, and officers of Landlord, in connection with the occupancy and/or use of the Premises by Tenant and Tenant's Visitors; rather, Tenant agrees to look solely to Landlord's interest and estate in the Building for the satisfaction of Tenant's remedies arising out of or related to this Lease.

ARTICLE 28
SECURITY DEPOSIT

28.1 (a) Security. Concurrently with the execution of this Lease, Tenant shall deposit with Landlord, in the form of cash or an unconditional “evergreen” letter of credit, in an amount equal to the Security set forth in the Basic Lease Provisions, provided that any letter of credit shall be from a recognized commercial banking institution located in the State of New Jersey or the City of New York and having a net worth of at least \$500,000,000.00. The letter of credit (or renewals thereof) shall not expire earlier than the date that is sixty (60) days after the Termination Date. The letter of credit or cash, as applicable, will be held by Landlord as security for the full and faithful performance of Tenant’s obligations under this Lease. If Tenant elects to provide a letter of credit, the letter of credit must be payable upon sight draft, together with a certification from Landlord that Tenant is in default under this Lease. If (i) any Basic Rent, Additional Rent or other sum payable by Tenant to Landlord is not paid when due, or (ii) Landlord makes any payments on behalf of Tenant, or (iii) Tenant fails to perform any of its obligations under this Lease, then, in each case, Landlord will have the right, without prejudice to any other remedy Landlord may have, to draw down such letter of credit or cash to compensate or reimburse Landlord, as the case may be, toward the payment of Basic Rent, Additional Rent or other such sum payable hereunder, or other loss or damage sustained by Landlord on account of Tenant’s default. The Security will not be deemed to be (x) a limitation on Landlord’s damages or other rights and remedies available under this Lease or at law or equity, (y) a payment of liquidated damages, or (z) an advance of the Basic Rent or Additional Rent. If Landlord uses, applies, or retains all or any portion of the Security, Tenant shall immediately restore the Security to its original amount. If the letter of credit requires renewal, Tenant shall furnish to Landlord evidence of such renewal at least thirty (30) days prior to the expiration date of the letter of credit. If Tenant fails to timely provide Landlord with such evidence of renewal, Landlord will have the right to cash the letter of credit and to retain the proceeds as security hereunder. Landlord will not be required to keep any cash security separate from its own funds. Landlord will have no fiduciary responsibilities or trust obligations with regard to any cash security and will not be obligated to pay Tenant any interest on any cash security. Tenant shall not assign, pledge, hypothecate, mortgage or otherwise encumber the Security.

(b) If at any time during the Term (as the same may be extended) Landlord determines that the financial condition of the issuer of the then current letter of credit is such that Landlord’s ability to draw upon such letter of credit is, or in the future may be, impaired, restricted, refused or otherwise adversely affected, then Tenant shall, within ten (10) Business Days of Landlord’s written request to Tenant, obtain a replacement letter of credit in substitution for the then current letter of credit in the form and amount required herein from an issuer acceptable to Landlord in Landlord’s reasonable discretion.

(c) If Tenant is in default under this Lease more than two (2) times during any twelve (12) month period, irrespective of whether such default is cured, then, without limiting Landlord’s other rights and remedies provided for in this Lease or at law or equity, the Security will automatically be increased to an amount equal to the greater of: (i) one hundred fifty percent (150%) of the original Security, and (ii) three (3) months then current Basic Rent. Tenant shall pay the amount of such increase in the Security to Landlord upon demand.

28.2 Return of Security. So long as Tenant is not in default in the performance of any of its obligations under this Lease, any part of the Security not used, applied, or retained by Landlord shall be returned, without interest, to Tenant within thirty (30) days after the end of the Term, subject to Landlord's final inspection of the Premises. Notwithstanding the foregoing, if Landlord, in its sole discretion, has sufficient evidence that the Security has been assigned to an assignee of this Lease, then Landlord shall return the Security to such assignee and, upon such return, will be released from all liability with respect to the Security.

28.3 Bankruptcy. In the event of bankruptcy or other debtor-creditor proceeding against Tenant, the Security will be deemed to be applied first to the payment of rent and other charges due Landlord for all periods prior to filing of such proceedings.

28.4 Transfer of Security. In the event of any transfer of title to the Property or the Building or any assignment of Landlord's interest under this Lease, (i) with respect to any cash portion of the Security, Landlord will have the right to transfer such cash portion to such transferee, provided that Landlord gives Tenant the name and address of such transferee, (ii) with respect to any Security held by Landlord in the form of a letter of credit, Tenant shall, upon request from Landlord, obtain either a new letter of credit from the issuing bank containing the same terms and for the same face amount as the letter of credit then held by Landlord which names the new landlord as the beneficiary, or the written consent of the issuing bank to the assignment of the then existing letter of credit from Landlord to the new landlord in form and substance reasonably satisfactory to the new landlord. If Tenant obtains a new letter of credit, Landlord shall surrender the existing letter of credit to Tenant simultaneously with its receipt of the new letter of credit; the parties agree to coordinate such delivery and surrender so that it is done on the effective date of the transfer of title to the Property or Building or the assignment of this Lease by Landlord. Following any such transfer of the cash portion of the Security, or such assignment or surrender of any Security held in the form of a letter of credit, as applicable, Landlord will be automatically released from all liability for the return of the Security. The provisions of this Section 28.4 will apply to every transfer of the Security to a new transferee.

ARTICLE 29 MISCELLANEOUS

29.1 Miscellaneous. This Lease may not be amended except by an instrument in writing signed on behalf of both parties. If any provision of this Lease is held unenforceable by a court of competent jurisdiction, all other provisions of this Lease will remain effective. If any provision of this Lease is held unenforceable only in part or degree, it will remain effective to the extent not held unenforceable. This Lease will bind and benefit both parties' permitted successors and assigns. The table of contents and the article and section headings contained in this Lease are for convenience of reference only and will not limit or otherwise affect the meaning of any provision of this Lease. This Lease may be executed in counterparts, each of which is an original and all of which together constitute one and the same instrument.

29.2 No Surrender. No act or thing done by Landlord or Landlord's agents during the Term will be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender will be valid unless in writing and signed by Landlord. No employee of Landlord or Landlord's agents will have any authority to accept the keys to the Premises prior to the

Termination Date and the delivery of keys to any employee of Landlord or Landlord's agents will not operate as an acceptance of a termination of this Lease or an acceptance of a surrender of the Premises.

29.3 Statements and Bills. Landlord's failure during the Term to prepare and deliver any of the statements, notices or bills set forth in this Lease shall not in any way cause Landlord to forfeit or surrender its rights to collect any amount that may have become due and owing to it during the Term; provided, however, notwithstanding anything to the contrary contained herein, Tenant shall not be obligated to pay any portion of any of Landlord's Operating Expenses or Taxes incurred in a particular calendar year unless Landlord has notified Tenant in writing within two (2) years after the expiration of such calendar year that such amounts are due.

29.4 Tenant's Financials. Tenant shall keep proper books and records of account in accordance with generally accepted accounting principles consistently applied. Tenant shall deliver to Landlord, within one hundred twenty (120) days after the close of each Tenant's fiscal year, a balance sheet and statement of income and expense for such year (which statement must separately set forth the expenses of the Premises). In addition, Tenant shall provide Landlord, within ten (10) days of Landlord's request, such other information with respect to Tenant as Landlord may reasonably request from time to time. All financial statements must include a complete comparison with the figures for the preceding year and must be certified by (a) the chief financial officer of Tenant, or (b) if prepared by any accounting firm, by such accounting firm. Notwithstanding the foregoing, if Tenant is a publicly traded corporation or an owned subsidiary of a publicly traded corporation at the time it would otherwise be required to deliver any such financial information and financial information regarding Tenant is publicly available to Landlord (any such financial information that is accessible by Landlord via the Internet shall be deemed publicly available for such purposes), then Tenant shall not be required to deliver such financial information.

29.5 No Offer. The submission of this Lease to Tenant for examination does not constitute an offer to lease the Premises on the terms set forth herein. This Lease will become effective only upon the execution and delivery of the Lease by Landlord and Tenant.

29.6 Access. Subject to Tenant's compliance with all applicable Legal Requirements and with Landlord's Rules and Regulations (which shall not prohibit such access), Tenant shall be permitted keyed access to the Premises twenty-four (24) hours per day, seven (7) days per week.

29.7 Rules and Regulations. Tenant, for itself and for Tenant's Visitors, covenants to comply with the Rules and Regulations attached hereto as **Schedule E**. Landlord will have the right to reasonably amend the Rules and Regulations from time to time, and Tenant, on behalf of itself and Tenant's Visitors, agrees to comply with such amendments after deliveries of copies thereof to Tenant or the posting of copies thereof in a prominent place in the Building. In case of any conflict or inconsistency between the provisions of this Lease and any Rules and Regulations, the provisions of this Lease shall control.

29.8 Authority. Tenant represents and warrants to Landlord: (i) the execution and delivery of, the consummation of the transactions contemplated by and the performance of all its obligations under, this Lease by Tenant have been duly and validly authorized by its general

partners, to the extent required by its partnership agreement and applicable law, if Tenant is a partnership or, if Tenant is a limited liability company, by its manager, representative(s) or members to the extent required by its operating agreement and applicable law or, if Tenant is a corporation, by its board of directors, if necessary, and by its stockholders, if necessary, at meetings duly called and held on proper notice for that purpose at which there were respective quorums present and voting throughout; (ii) no other approval, partnership, corporate, governmental or otherwise, is required to authorize any of the foregoing or to give effect to Tenant's execution and delivery of this Lease; and (iii) the individual (or individuals) who executes and delivers this Lease on behalf of Tenant is authorized to do so.

29.9 **Liability of Landlord.** The Term "**Landlord**" as used in this Lease, so far as the covenants and agreements on the part of Landlord are concerned, shall be limited to mean and include only the owner (or lessee, as applicable) or Mortgagee(s) in possession at the time in question of the landlord's interest in this Lease. Landlord may sell its fee ownership or leasehold interest in the Building or the Property, and/or transfer or assign its rights under this Lease. In the event of any sale of such interest or transfer of such rights and upon the assumption, in writing, of the obligations of Landlord under this Lease by such assignee or transferee, Landlord herein named (and in case of any subsequent transfer, the then assignor) shall be automatically freed and relieved from and after the date of such transfer of all liability in respect of the performance of any of Landlord's covenants and agreements thereafter accruing, and such transferee shall thereafter be automatically bound by all of such covenants and agreements, subject, however, to the terms of this Lease; it being intended that Landlord's covenants and agreements shall be binding on Landlord, its successors and assigns, only during and in respect of their successive periods of such ownership).

29.10 **Requests for Consent.** Tenant shall pay to Landlord, within thirty (30) days after demand therefor, as Additional Rent, all reasonable, actual out-of-pocket fees, charges or other expenses Landlord may incur (including its reasonable legal fees and expenses) arising out of any request for consent or approval of any matter hereunder.

29.11 **Flood Notice.** Attached hereto as Schedule K is the flood risk notice for the Property (the "**Flood Risk Notice**") pursuant to N.J.S.A. 46:8-50. Notwithstanding anything contained herein to the contrary, the provisions of this Section 29.11 and the Flood Risk Notice shall in no way be deemed to be a representation, warranty or covenant of Landlord with regard to the flood status of the Property or any other matter. Tenant acknowledges receipt of the Flood Risk Notice prior to the date of this Lease.

ARTICLE 30 USA PATRIOT ACT

Tenant represents, warrants and covenants that neither Tenant nor any of its partners, officers, directors, members or shareholders (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("**OFAC**") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("**Order**") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-

56 (October 26, 2001)); (ii) is listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (iii) is listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State, (iv) is listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (v) is listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraq Sanctions Act, Publ. L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 6001-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "**Orders**"); (vi) is engaged in activities prohibited in the Orders; or (vii) has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 *et. seq.*).

ARTICLE 31 EXTENSION OPTION

31.1 Extension Option. Subject to the terms and conditions of this Section 31.1, Landlord hereby grants to Tenant the right to extend the original Term for a period of five (5) years from the tenth (10th) anniversary of the Basic Rent Commencement Date to the day immediately preceding the fifteenth (15th) anniversary of the Basic Rent Commencement Date, inclusive (the "**First Extension Period**"). If Tenant exercises its right to extend the Term for the First Extension Period, then, subject to the provisions of this Section 31.1, Landlord hereby grants to Tenant the right to extend the Term further for a period of five (5) years from the fifteenth (15th) anniversary of the Basic Rent Commencement Date to the day immediately preceding the twentieth (20th) anniversary of the Basic Rent Commencement Date, inclusive (the "**Second Extension Period**"). The First Extension Period and the Second Extension Period are each hereinafter referred to as an "**Extension Period**." If Tenant desires to exercise the extension option for an Extension Period, Tenant shall notify Landlord on or before the date which is twelve (12) months prior to the expiration of the then current Term. If Tenant fails to timely notify Landlord of its election to extend this Lease, Tenant will be deemed to have waived its right to extend the term of this Lease, time being of the essence with respect to the exercise of each extension option. If Tenant exercises the extension option for either Extension Period, all of the terms and conditions of this Lease will apply to each Extension Period, except that the Basic Rent for each Extension Period will equal an amount determined pursuant to Section 31.2 (and Tenant shall not be entitled to any free rent period), and Tenant shall not have the right to extend the Term beyond the expiration of the Second Extension Period. In connection with any extension of the Term, Landlord will not be obligated to do any work to the Premises and will not be obligated to contribute to the cost of any work done to the Premises by Tenant. Tenant's right to exercise the extension option for each Extension Period is expressly subject to the satisfaction of the following conditions on both the date Tenant exercises

the extension option for the applicable Extension Period and the commencement date of the applicable Extension Period: Tenant must not be in default of any monetary obligation or any material non-monetary obligation under this Lease beyond applicable notice or cure periods. If the foregoing condition is not satisfied on both the date Tenant exercises the extension option for the applicable Extension Period and the commencement date of the applicable Extension Period, then unless Landlord elects in writing (in its sole discretion) to waive any of such conditions, any notice exercising the extension option will be automatically null and void. Any waiver of the condition set forth above shall not constitute a waiver of such default, but simply a waiver of such condition in connection with Tenant's exercise of its extension option for the applicable Extension Period.

31.2 (a) Extension Period Rent. Tenant shall pay to Landlord, as Basic Rent during each Extension Period, the Fair Market Rental Value of the Premises. "**Fair Market Rental Value**" means the annual basic rent for each year of the relevant period for which, on the terms and conditions of this Lease, a willing landlord would rent the Premises to a willing tenant with neither party being compelled to rent and after appropriate exposure of the Premises to the market for a reasonable period of time and taking into account all relevant factors, including, without limitation, the age, quality, size, location, services, amenities, quality of construction and appearance of other comparable buildings in Northern New Jersey.

(b) At least one hundred eighty (180) days prior to the expiration of the then current Term, Landlord and Tenant shall endeavor to mutually agree upon the Fair Market Rental Value. If the parties do not agree on the Fair Market Rental Value prior to ninety (90) days prior to the expiration of the then current Term, as evidenced by an amendment to this Lease executed by Landlord and Tenant, then, no later than seventy-five (75) days prior to the expiration of the then current Term, Landlord and Tenant shall deliver to each other Landlord's or Tenant's, as the case may be, determination of the Fair Market Rental Value. If the two determinations differ by less than five percent (5%), the Fair Market Rental Value will be the average of the two determinations. If Landlord's and Tenant's determinations of Fair Market Rental Value differ by five percent (5%) or more, then the Fair Market Rental Value will be determined pursuant to Section 31.2(c).

(c) If Landlord's and Tenant's determinations of Fair Market Rental Value differ by five percent (5%) or more, then, within ten (10) days after each party delivers to the other party such party's determination of the Fair Market Rental Value, Landlord and Tenant shall each appoint one disinterested appraiser having the qualifications set forth herein. Each such appraiser must be a Member of the Appraisal Institute (MAI) and have at least ten (10) years of experience appraising multi-tenanted office buildings in northern New Jersey as a MAI appraiser. If either Landlord or Tenant fails to appoint an appraiser within such ten (10) day period, the appraiser appointed by Landlord or Tenant, as the case may be, shall appoint an appraiser having the qualifications set forth herein. As promptly as possible, but in no event later than thirty (30) days after the appointment of both appraisers, the appraisers shall notify Landlord and Tenant in writing of their determination of the Fair Market Rental Value. The Fair Market Rental Value so selected by the two appraisers will constitute the Fair Market Rental Value for the relevant period, and will be binding upon Landlord and Tenant. If the two appraisers are unable to agree as to the Fair Market Rental Value, but their determinations differ by less than five percent (5%), the Fair Market Rental Value will be the average of the determinations of the two appraisers. If the two appraisers' determinations differ by five percent (5%) or more, then the two appraisers shall, promptly agree

upon and appoint a third appraiser having the qualifications set forth herein. The third appraiser shall, within thirty (30) days of appointment, determine which of the two initial appraisers determination of Fair Market Rental Value is the closest to the actual Fair Market Rental Value, taking into account the requirements of this Section 31.2, and shall notify Landlord and Tenant thereof. The Fair Market Rental Value selected by the third appraiser will constitute the Fair Market Rental Value for the relevant period, and will be binding upon Landlord and Tenant. Upon the determination of the Fair Market Rental Value, Landlord and Tenant shall promptly execute an instrument setting forth the amount of such Fair Market Rental Value.

(d) If Tenant becomes obligated to pay Basic Rent for an Extension Period prior to the determination of Fair Market Rental Value pursuant to this Section 31.2, Tenant shall, as of the commencement of the applicable Extension Period, commence paying the Basic Rent in an amount equal to the monthly installments of Basic Rent for the month immediately prior to the applicable Extension Period. Within thirty (30) days of the determination of Fair Market Rental Value, Tenant shall pay to Landlord the difference, if any, between the Basic Rent paid by Tenant pursuant to the foregoing sentence and the Fair Market Rental Value for such period. Each party shall pay the fees and expenses of the appraiser appointed by such party and one-half of the other expenses of any appraisal proceeding, including, if applicable, the fees and expenses of a third appraiser.

ARTICLE 32 EXPANSION OPTION

32.1 (a) Subject to the terms of this Article 32 and Article 33, Tenant shall have the right to elect to lease the Expansion Space by notice sent to Landlord on or before the day immediately preceding the third (3rd) anniversary of the Basic Rent Commencement Date ("***Tenant's Expansion Space Notice***"), TIME BEING OF THE ESSENCE with respect to the giving of Tenant's Expansion Space Notice. If Tenant fails to deliver Tenant's Expansion Space Notice prior to the third (3rd) anniversary of the Basic Rent Commencement Date then the provisions of this Article 32 shall be deemed automatically null and void, and of no further force or effect. As used herein, "***Expansion Space***" means the portion of the third (3rd) floor of the Building depicted on ***Schedule J*** attached hereto and containing approximately 5,498 rentable square feet. In the event Tenant exercises its right to lease the Expansion Space, then, Landlord and Tenant shall enter into an amendment to this Lease whereby Tenant leases the Expansion Space on the same terms and conditions as set forth in this Lease, except (i) the term of such leasing shall commence on the date on which Landlord delivers possession of the Expansion Space to Tenant, which date shall be within ten (10) days after Tenant's Expansion Space Notice (the "***Expansion Space Commencement Date***"), and shall be co-terminus with the Term of this Lease, including any Extension Periods, (ii) Tenant agrees to accept the Expansion Space in its "as is" condition as of the date of Tenant's Expansion Space Notice, (iii) the Basic Rent for the Expansion Space shall start on Expansion Space Basic Rent Commencement Date (as defined in Section 32.1(b) hereof), (iv) the Basic Rent with respect to the Expansion Space shall be the same Basic Rent amounts (on a per rentable square foot basis) as are applicable to the Premises as set forth in clause (7) of the Basic Lease Provisions, (v) Tenant's Proportionate Share with respect to the Expansion Space shall be 1.49%, (vi) Tenant shall, at Tenant's expense, tie the Expansion Space into the submeter serving the Premises pursuant to Section 6.1 hereof, and (vii) Tenant's unassigned parking spaces shall be

increased based upon the rentable square footage of the Expansion Space at a rate of three and one-half (3.5) parking spaces per one thousand (1,000) rentable square feet, it being understood that Tenant shall not be entitled to any additional reserved parking spaces on account of its leasing of the Expansion Space. To memorialize such leasing, within fifteen (15) days after request from Landlord, Tenant shall execute an amendment to this Lease (such amendment being called the “*Expansion Space Amendment*”) for the Expansion Space, which Expansion Space Amendment shall (A) be in form and substance reasonably satisfactory to Landlord and Tenant, (B) contain the terms and conditions set forth in the preceding sentence, including the obligation for Tenant to tie the Expansion Space into the submeter serving the Premises within a time period reasonably designated by Landlord, (C) contain a work letter for Tenant’s completion of the Expansion Finish Work in a form substantially similar to the work letter attached hereto as *Schedule D*, (D) contain a work allowance with respect to the Expansion Finish Work in amount equal to the Remaining Allowance, if any, it being understood that if there is no Remaining Allowance available, then Landlord shall have no obligation to provide an allowance to Tenant and the work letter provisions will be modified accordingly to remove any requirement that Landlord provide an allowance. Notwithstanding anything to the contrary contained in this Article 32, Tenant’s failure or refusal to execute the Expansion Space Amendment shall not be deemed to rescind Tenant’s notice to Landlord, and Tenant shall remain bound by the terms of this Article 32.

(b) The “*Expansion Space Basic Rent Commencement Date*” with respect to the Expansion Space shall occur on the date occurring the number of days after the Expansion Space Commencement Date equal to the product of (1) three hundred sixty (360) days, times (2) a fraction, the numerator of which is the number of days during the period commencing on the Expansion Space Commencement Date and ending on the final day of the initial Term, and the denominator of which is the total number of days in the initial Term (i.e., 4,017 days), but in no event shall such product exceed three hundred sixty (360) days.

(c) If Tenant exercises its right to lease the Expansion Space pursuant to this Article 32, then, as of the date of Tenant’s Expansion Space Notice, (i) Tenant’s right of first offer under Article 33 with respect to the Expansion Space and (ii) Tenant’s right to terminate this Lease pursuant to Article 34, shall each be deemed to be automatically, unconditionally and irrevocably terminated and shall be null and void and of no further force and effect.

32.2 For the avoidance of doubt, if after leasing the Expansion Space pursuant to this Article 32, Tenant exercises an extension right pursuant to Article 31, then, since the Expansion Space will then be part of the “Premises” under the Expansion Space Amendment, the Basic Rent and other terms of the extension for the Expansion Space (and the balance of the Premises) shall be determined in accordance with Article 31.

32.3 Notwithstanding anything to the contrary contained in this Article 32, Tenant hereby acknowledges and agrees that its expansion right applies only to the Expansion Space, and not to any other space in the Building.

32.4 In the event Tenant assigns this Lease (other than pursuant to Section 16.7), then the provisions of this Article 32 shall be deemed automatically null and void, and of no further force or effect. The expansion right granted to Tenant pursuant to this Article 32 shall be deemed personal to the Tenant named on the first page of this Lease and cannot be assigned separately from this Lease or

in connection with an assignment of this Lease, other than in connection with an assignment pursuant to Section 16.7.

32.5 Tenant acknowledges and agrees that the provisions of this Article 32 shall not apply during any period of time there is an Event of Default and that during such period of Event of Default, Tenant shall have no right to deliver a Tenant's Expansion Space Notice.

ARTICLE 33 RIGHT OF FIRST OFFER

33.1 (a) Subject to the terms of this Article 33, Tenant shall have a right of first offer with respect to the Expansion Space. Subject to the provisions of this Article 33, if at any time prior to the earlier of (i) the third (3rd) anniversary of the Basic Rent Commencement Date or (ii) the date Tenant delivers the Tenant's Expansion Space Notice, Landlord desires to Lease the Expansion Space, Landlord agrees to notify Tenant of Landlord's desire to lease the Expansion Space ("**Landlord's Offer Space Notice**"), which notice shall be given at any time determined by Landlord (subject to Section 33.1(g) herein below), so long as such notification is before Landlord's execution of a lease agreement with a third party for the Expansion Space. Landlord's Offer Space Notice shall:

(i) set forth the date on which Landlord reasonably anticipates it can deliver possession of the Expansion Space, which date shall be within sixty (60) days of Landlord's Offer Space Notice (such date, the "**Offer Space Commencement Date**"); and

(ii) specify the Basic Rent amounts with respect to the Expansion Space in accordance with the provisions set forth below in Section 33.1(b) and the other terms and conditions pursuant to which Landlord desires to lease the Expansion Space (which terms shall be substantially consistent with this Lease except as set forth in this Article 33).

(b) The Basic Rent with respect to the Expansion Space shall be the same Basic Rent amounts (on a per rentable square foot basis) as are applicable to the Premises as set forth in clause (7) of the Basic Lease Provisions (with a free rent period prorated as provided in Section 33.1(c)(ii)).

(c) (i) If there is any Remaining Allowance available, Tenant shall receive an allowance consistent with the Allowance provisions of **Schedule D**, except that the amount of the allowance shall be in the amount of the Remaining Allowance.

(ii) The "Basic Rent Commencement Date" with respect to the Expansion Space shall occur on the date occurring the number of days after the Offer Space Commencement Date equal to the product of (1) three hundred sixty (360) days, times (2) a fraction, the numerator of which is the number of days during the period commencing on the Offer Space Commencement Date and ending on the final day of the initial Term, and the denominator of which is the total number of days in the initial Term (i.e., 4,017 days).

(d) Within fifteen (15) Business Days after Tenant's receipt of Landlord's Offer Space Notice, Tenant shall notify Landlord whether Tenant desires to lease the Expansion Space in accordance with this Article 33 ("**Tenant's Offer Space Notice**"), TIME BEING OF THE

ESSENCE with respect to the delivery of Tenant's Offer Space Notice. If Tenant fails to notify Landlord of its desire to lease the Expansion Space within said fifteen (15) Business Day period, then, subject to the terms hereof, Tenant shall be deemed to have waived its right to lease the Expansion Space pursuant to this Section 33.1, and Landlord shall have the right to lease the Expansion Space to any other person or entity on terms and conditions acceptable to Landlord in its sole discretion and Article 32 of the Lease shall automatically be deemed to be terminated and of no further force and effect and Tenant shall not have the right to exercise the expansion option with respect to the Expansion Space pursuant to Article 32 hereof, provided, however, if Landlord fails to enter into a lease with a third party for the Expansion Space within one hundred eighty (180) days of the date that Landlord delivered the Landlord's Offer Space Notice to Tenant, then, Tenant's rights under this Article 33 shall be reactivated. For the avoidance of doubt, Landlord may, if it elects, give to Tenant more than one Landlord's Offer Space Notice in any one hundred eighty (180) day period, which subsequent Landlord's Offer Space Notices, if given, would extend the period in which Landlord has to lease the Expansion Space to a third party free of Tenant's rights (assuming that Tenant does not elect to lease the Expansion Space in accordance with the provisions hereof after receiving the subsequent Landlord's Offer Space Notice).

(e) If Tenant notifies Landlord of its desire to lease the Expansion Space within said fifteen (15) Business Day period, then, as of the date of Tenant's notice, Tenant shall be deemed to have leased the Expansion Space on the terms and conditions set forth in this Article 33; to memorialize such leasing, Tenant shall execute an amendment to this Lease (such amendment being called the "***Offer Space Lease***") for the Expansion Space, which Offer Space Lease shall contain the same terms and conditions as set forth in this Lease, except (i) such terms and conditions shall be modified to reflect the terms and conditions of Landlord's Offer Space Notice, (ii) the term of such leasing shall commence on the Offer Space Commencement Date, (iii) the term of the leasing of the Expansion Space shall be co-terminus with the Term of this Lease, including any Extension Period, (iv) Tenant agrees to accept the Expansion Space in its "as is" condition, (v) the rent for the Expansion Space shall start on the Basic Rent Commencement Date for the Expansion Space as set forth in Section 33.1(c)(ii), (vi) the Offer Space Lease shall not contain the provisions of this Article 33 or Articles 32, 33, 34, or 36 of this Lease, (vii) Tenant shall, at Tenant's expense, tie the Expansion Space into the submeter serving the Premises pursuant to Section 6.1 hereof within a time period reasonably designated by Landlord, and (viii) the number of unreserved Parking Spaces set forth in Item 14 of the Basic Lease Provisions shall be increased by an amount equal to 3.5 spaces per 1,000 rentable square feet of the Expansion Space. Notwithstanding anything to the contrary contained in this Article 33, Tenant's failure or refusal to execute the Offer Space Lease shall not be deemed to rescind Tenant's notice to Landlord, and Tenant shall remain bound by the terms of this Article 33.

(f) If Tenant exercises its right to lease the Expansion Space pursuant to this Article 33, then, as of the date of Tenant's Expansion Space Notice, (i) Tenant's expansion right set forth in Article 32 and (ii) Tenant's right to terminate this Lease pursuant to Article 34, shall each be deemed to be automatically, unconditionally and irrevocably terminated and shall be null and void and of no further force and effect.

(g) Notwithstanding anything to the contrary herein, Landlord agrees that it shall not lease the Expansion Space to a third party or deliver a Landlord's Offer Space Notice to Tenant prior to the first (1st) anniversary of the Basic Rent Commencement Date.

33.2 If Tenant leases the Expansion Space pursuant to a Landlord's Offer Space Notice and thereafter Tenant exercises an extension right pursuant to Article 31, then, since the Expansion Space will then be part of the "Premises" under the Offer Space Lease, the Basic Rent and other terms of the extension for the Expansion Space (and the balance of the Premises) shall be determined in accordance with Article 31.

33.3 In the event Tenant assigns this Lease or sublets all or any portion of the Premises (other than pursuant to Section 16.7), then the provisions of this Article 33 shall be deemed automatically null and void, and of no further force or effect. The right of first offer granted to Tenant pursuant to this Article 33 shall be deemed personal to the Tenant named on the first page of this Lease and cannot be assigned separately from this Lease or in connection with an assignment of this Lease, other than in connection with an assignment pursuant to Section 16.7.

33.4 Tenant acknowledges and agrees that the provisions of this Article 33 shall not apply during any period of time that an Event of Default has occurred and is continuing and that during such period of default, Landlord shall have the right to enter into a lease for all or any part of the Offer Space without first offering said space to Tenant.

33.5 In the event Tenant waives, or is deemed to have waived, its right to lease the Expansion Space pursuant to this Article 33, then within ten (10) days after request of Landlord, Landlord and Tenant shall enter into an agreement memorializing Tenant's waiver.

ARTICLE 34 EARLY TERMINATION RIGHT

34.1 Subject to the terms of this Article 34 and Sections 32.1(c) and 33.1(f), Tenant shall have the right to terminate this Lease as of seventh (7th) anniversary of the Basic Rent Commencement Date (the "**Early Termination Date**"), provided (i) there is no Event of Default under this Lease as of the giving of Tenant's notice terminating this Lease or as of the Early Termination Date, (ii) Tenant gives Landlord notice of its election to terminate this Lease at least fifteen (15) months prior to the Early Termination Date (the "**Early Termination Notice Deadline**"), TIME BEING OF THE ESSENCE with respect to such notice, and (iii) Tenant pays to Landlord the Termination Payment (as hereinafter defined) set forth in Section 34.2. If any of the conditions set forth in clauses (i), (ii) or (iii) of the preceding sentence are not satisfied, then unless Landlord elects in writing (in its sole discretion) to waive such condition, Tenant shall be deemed to have waived its termination option. Any waiver of the condition set forth in clause (i) above shall not constitute a waiver of such Event of Default, but simply a waiver of such condition in connection with Tenant's termination option.

34.2 (a) Within thirty (30) days after receipt of Tenant's termination notice, Landlord shall notify Tenant of the amount of the Termination Payment (the "**Termination Payment Notice**"). Landlord's failure to timely provide the Termination Payment Notice shall not be deemed to be a waiver of Landlord's right to receive, or Tenant's obligation to pay, the Termination Payment. Tenant shall pay the Termination Payment within fifteen (15) days after Tenant's receipt of the Termination Payment Notice.

(b) If Tenant fails to pay when due the Termination Payment as set forth in Section 34.2(a), then, at Landlord's option, either (i) this Lease shall remain in full force and effect as if the termination notice had never been given, or (ii) this Lease shall terminate as of the Early Termination Date. If Landlord elects to maintain this Lease in full force and effect pursuant to clause (i) of the immediately preceding sentence, Tenant shall have no further obligation to pay the Termination Payment. If Landlord elects to terminate this Lease as of the Early Termination Date in accordance with clause (ii) of this subsection (b), then Tenant shall remain obligated to pay the Termination Payment, which obligation shall survive the termination of this Lease.

(c) As used herein, the term "**Termination Payment**" shall mean the sum of (i) the unamortized amount, as of the Early Termination Date, of the total brokerage commissions or other compensation paid or payable to Brokers by Landlord in connection with the initial term of this Lease, plus (ii) the unamortized amount, as of the Early Termination Date, of the Allowance paid by Landlord and/or received as a Basic Rent credit by Tenant pursuant to Schedule D hereof, plus (iii) the unamortized amount, as of the Early Termination Date, of the attorneys fees incurred by Landlord in connection with negotiating and administering this Lease, plus (iv) the unamortized portion, as of the Early Termination Date, of \$541,660.00, which is the aggregate amount of Basic Rent that was abated with respect to the Premises during the period commencing on the Commencement Date and ending on the day immediately preceding the Basic Rent Commencement Date, plus (v) the sum of \$154,760.00. For purposes of determining the "unamortized amount" and "unamortized portion" under clauses (i), (ii), (iii) and (iv) of the preceding sentence, the sum of the brokerage commissions or other compensation paid or payable to Brokers by Landlord with respect to the initial term of this Lease, plus the amount of the Allowance paid by Landlord and/or received as a Basic Rent credit by Tenant pursuant to Schedule D hereof, plus the amount of the attorneys fees incurred by Landlord in connection with negotiating and administering this Lease, plus \$541,660.00, shall be amortized as if such sum was the original principal amount under a "self amortizing loan" having an interest rate of eight percent (8%) per annum and a term commencing on the Basic Rent Commencement Date and ending on the last day of the month in which the tenth (10th) anniversary of the Basic Rent Commencement Date occurs.

34.3 In the event that Tenant exercises its termination option pursuant to Section 34.1, then, subject to Section 34.1 and Section 34.2(b), this Lease shall terminate and expire on the Early Termination Date, as fully and completely as if the Early Termination Date had been definitively fixed herein as the Termination Date with respect to the Lease, and Tenant shall surrender possession of the Premises to Landlord on or before the Early Termination Date. Without limiting the foregoing, on or before the Early Termination Date, Tenant shall comply with all of the terms and conditions of this Lease which are applicable to Tenant's surrender of the Premises, including, but not limited to, Section 7.5(a) and Article 24. If Tenant fails to surrender the Premises to Landlord on or before the Early Termination Date in accordance with the terms of this Lease, Landlord shall have all of its rights and remedies set forth in this Lease, including, without limitation, Section 24.3 hereof.

34.4 Upon request of Landlord, Landlord and Tenant shall execute and deliver an agreement memorializing the termination of this Lease pursuant to the terms of this Article 34; provided, however, the failure or refusal of Tenant to execute such agreement shall not affect the termination of this Lease pursuant to the terms of this Article 34.

34.5 In the event Tenant assigns this Lease or sublets all or any portion of the Premises to any person or entity (except for an assignment or sublet pursuant to Section 16.7 hereof), then the provisions of this Article 34 shall be deemed automatically null and void, and of no further force or effect. The early termination right granted to Tenant pursuant to this Article 34 shall be deemed personal to the Tenant named on the first page of this Lease and cannot be assigned separately from this Lease or in connection with an assignment of this Lease (except for an assignment pursuant to Section 16.7 hereof).

ARTICLE 35 GENERATOR

35.1 Subject to the terms of this Article 35 and other applicable provisions of this Lease, Tenant may, at its sole cost and expense throughout the Term, install, maintain, repair, replace, alter and operate (i) an emergency electric generator and related equipment and facilities, including, without limitation, a concrete slab below the generator (collectively, the “**Generator**”) to provide a back-up electricity source for certain equipment used by Tenant in the Premises, in an area on the Property to be reasonably designated by Landlord (the “**Generator Location Area**”) and (ii) transmission lines, wires, cables, risers and conduits (collectively, “**Generator Conduits**”) through conduit space in the Building reasonably designated by Landlord for the operation of the Generator (the Generator and the Generator Conduits and any alterations thereto or replacements thereof being called herein collectively, the “**Generator Equipment**”). To exercise said right, Tenant shall submit to Landlord for its approval (which shall not be unreasonably withheld, conditioned, denied or delayed) (x) a detailed description of the proposed Generator Equipment and (y) plans and specifications in form reasonably satisfactory to Landlord for the Generator Equipment. Said plans and specifications shall be in compliance with all Legal Requirements and Insurance Requirements. Within fifteen (15) days after receipt of said description and said plans and specifications, Landlord shall notify Tenant whether Landlord approves or disapproves the installation of the proposed Generator Equipment. Tenant acknowledges that Landlord’s review and approval rights with respect to the Generator Equipment shall include, but shall not be limited to, consideration of the size, weight, affect on Building systems, affect on other tenants and occupants of the Building, aesthetics and manner of attachment and installation, and the affect on the character of the Property and Building; provided that all such criteria are limited to the specific Generator Equipment proposed and not to a generator generally. If Landlord disapproves the proposed Generator Equipment, Landlord shall specify the reasons for such disapproval in said notice.

35.2 Prior to commencing the installation of the Generator Equipment, Tenant shall obtain Landlord’s approval of the proposed contractor, which approval shall not be unreasonably withheld, conditioned or delayed, and Tenant shall deliver to Landlord a copy of all governmental approvals and permits required in connection with the installation of the Generator Equipment. Tenant agrees to construct the Generator Equipment strictly in accordance with the approved plans and specifications and to complete such work expeditiously, in a good and workmanlike manner, free and clear of all Liens and in compliance with all Legal Requirements and Insurance Requirements. Supplementing the foregoing, Tenant agrees further to comply with all other applicable provisions of this Lease with respect to the installation, maintenance, repair, alteration, use, operation and replacement of the Generator Equipment and access thereto, including, without limitation, Article 7, Article 10 and Article 11 hereof.

35.3 Tenant hereby covenants and agrees that (i) Tenant shall, at its sole cost and expense, comply with all Legal Requirements (including, without limitation, Environmental Laws) and Insurance Requirements and procure and maintain all necessary permits and approvals required in connection with the operation, installation, maintenance, repair, alteration and replacement of the Generator Equipment; (ii) the Generator Equipment shall not adversely affect, undermine or unreasonably interfere with the structure of the Building, the roof of the Building or any of the systems of the Building (including, without limitation, the electrical, plumbing, heating, ventilating, air conditioning and life safety systems); (iii) the Generator Equipment shall not unreasonably interfere with the use and enjoyment of the Building by other occupants of any portion thereof; (iv) Tenant shall, at its sole cost and expense, promptly repair any damage (whether structural or non-structural) caused to the Property or its fixtures, equipment and appurtenances by reason of the installation, maintenance, repair, alteration, replacement or operation of the Generator Equipment (or, at Landlord's election, Landlord shall perform such repairs and Tenant shall reimburse Landlord for the costs thereof within thirty (30) days after receipt of demand therefor from Landlord); (v) the Generator Equipment shall not emit sound which is audible in any leasable areas of the Building other than the Premises or cause any vibration; (vi) Tenant shall pay any additional or increased insurance premiums incurred by Landlord, to the extent there is a quantifiable increase directly attributable to the installation and operation of the Generator Equipment, and shall obtain and pay for any additional insurance coverage for the benefit of Landlord in such amount and of such type as Landlord may reasonably require in connection with the Generator Equipment; (vii) Tenant shall cooperate, at Tenant's cost and expense, with Landlord in connection with the maintenance, repair and replacement by Landlord of the Property, including without limitation, by temporarily moving the Generator, upon prior written notice from Landlord, to accommodate such maintenance, repair or replacement; (viii) Tenant shall, at its sole cost and expense, maintain the Generator Equipment in good order and condition and in compliance with all Legal and Insurance Requirements and (ix) unless the Generator runs on natural gas, Tenant shall maintain pollution legal liability insurance, covering claims for bodily injury and property damage both on-site and off-site, and cleanup costs arising from pollution conditions on or emanating from the Property, which insures both the Generator Equipment and Tenant's operations thereof, in an amount of at least Two Million (\$2,000,000) Dollars for each occurrence. The insurance maintained by Tenant pursuant to clause (ix) above shall comply with all of the provisions of this Lease that are applicable to the insurance maintained by Tenant pursuant to Section 14.1(a) hereof.

35.4 Tenant acknowledges that Tenant's use of the Property and the conduit space in the Building pursuant to this Article 35 is a non-exclusive use, and Landlord may permit any person or entity to use any of the conduit spaces in the Building and any portion of the exterior of the Property, other than the Generator Location Area, for any purpose. Further, Landlord and its agents and representatives shall have the same rights with respect to the Generator Location Area that such parties have with respect to the Premises pursuant to Article 21, and Tenant shall have the same obligations with respect to Generator Location Area that Tenant has with respect to the Premises pursuant to Article 21.

35.5 Notwithstanding anything to the contrary contained in this Lease, Tenant shall remove the Generator Equipment prior to the expiration or earlier termination of the Term and repair any damage to the Property caused by the installation or removal of the Generator Equipment, all at Tenant's sole cost and expense (or, at Landlord's election, Landlord shall perform such repairs and Tenant shall reimburse Landlord for reasonable out-of-pocket costs thereof within thirty (30) days

after receipt by Tenant of Landlord's demand therefor); provided, however, by written notice to Tenant at least thirty (30) days prior to the Expiration Date, Landlord may elect, in its sole discretion, to require Tenant to leave all or any portion of the Generator Equipment (as specified by Landlord) in place upon the Expiration Date.

35.6 Without limiting Tenant's obligations under Section 14.3(a), Tenant shall indemnify, defend and hold Landlord and its members, directors, officers, agents and employees harmless from and against any and all liability, damages, claims, costs or expenses arising out of the installation, maintenance, operation, repair, alteration and replacement of any Generator Equipment, together with all costs, expenses and liabilities incurred in or in connection with each such claims or action or proceeding brought thereon (including, without limitation, all reasonable attorneys' fees and expenses), except for such of the foregoing that arise from the negligence or willful misconduct of Landlord or its agents, servants or employees. Tenant's obligations under this Section 35.6 shall survive the expiration or earlier termination of the Term.

35.7 Tenant shall pay all electric and any other utility costs relating to the Generator Equipment. Landlord shall have the right to require Tenant to pay such costs based on any reasonable method specified by Landlord, including, without limitation, if Landlord elects, tying, at Tenant's expense, the Generator Equipment into the submeter serving the Premises pursuant to Section 6.1 hereof. Tenant shall pay such amounts in accordance with a schedule specified by Landlord or, if Landlord does not establish a schedule, within thirty (30) days after any written request made by Landlord.

35.8 Notwithstanding anything to the contrary contained herein, Landlord shall have the right, from time to time, with sixty (60) days' notice to Tenant, to require Tenant to relocate Generator Equipment to other locations at the Property which are reasonably satisfactory to Landlord, provided that Landlord pays the actual reasonable costs and expenses incurred by Tenant to relocate such Generator Equipment or other improvements and facilities and such relocation does not materially adversely affect Tenant's business. Landlord and Tenant shall reasonably cooperate with each other to coordinate the relocation of the Generator Equipment during periods in which the Generator Equipment is not then in use by Tenant. In the event of any relocation of any such Generator Equipment or other improvements pursuant to this Section 35.8, then within ten (10) days after request of Landlord, Landlord and Tenant shall enter into an amendment to this Lease memorializing such relocation; provided, however, Tenant's failure or refusal to execute such amendment shall not affect any relocation pursuant to this Section 35.8.

35.9 The Generator Equipment shall be for the sole use of Tenant and for no other parties. Tenant shall not resell in any form the use of the Generator Equipment, including, without limitation, the granting of any licensing or other rights.

35.10 The rights granted to Tenant under this Article 35 are personal to the Tenant named in the heading of this Lease, and they cannot be assigned separately from this Lease or in connection with an assignment of this Lease (other than an assignment of this Lease pursuant to Section 16.7).

ARTICLE 36
ROOFTOP LABORATORY EQUIPMENT

36.1 Subject to the requirements of this Article 36 and other applicable provisions of this Lease, Tenant may, at its sole cost and expense throughout the Term install, maintain, repair, replace, alter and operate laboratory equipment serving Tenant's Permitted Use on the Premises (the "**Roof Top Equipment**") on a portion of the roof of the Building above the Premises as reasonably designated by Landlord (such area, "**Tenant's Roof Top Equipment Area**"), and transmission lines, wires, cables, risers and conduits (collectively, "**Equipment Conduits**") through conduit space in the Building reasonably designated by Landlord for the operation of the Roof Top Equipment (the Roof Top Equipment and the Equipment Conduits and any alterations thereto or replacements thereof being called herein collectively, the "**Laboratory Equipment**"). Tenant shall use the Laboratory Equipment only in connection with the business conducted by Tenant at the Premises and for no other purpose.

36.2 To exercise said right, Tenant shall submit to Landlord for its approval (which shall not be unreasonably withheld) (i) a detailed description of the proposed Laboratory Equipment and (ii) plans and specifications in form reasonably satisfactory to Landlord for the Laboratory Equipment. Said plans and specifications shall be in compliance with all Legal Requirements and Insurance Requirements. Within twenty (20) days after receipt of said description and said plans and specifications, Landlord shall notify Tenant whether Landlord approves or disapproves the installation of the proposed Laboratory Equipment. Tenant acknowledges that Landlord's review and approval rights with respect to the Laboratory Equipment shall include, but shall not be limited to, consideration of the size, weight, affect on Building systems, affect on other tenants and occupants of the Building, aesthetics and manner of attachment and installation, and the affect on the character of the Property and Building; provided that all such criteria are limited to the specific Laboratory Equipment proposed and not to laboratory equipment generally. If Landlord disapproves the proposed Laboratory Equipment, Landlord shall specify the reasons for such disapproval in said notice.

36.3 Prior to commencing the installation of the Laboratory Equipment, Tenant shall obtain Landlord's approval of the proposed contractor, which approval shall not be unreasonably withheld, conditioned or delayed, and Tenant shall deliver to Landlord a copy of all governmental approvals and permits required in connection with the installation of the Laboratory Equipment, if any. Tenant agrees to construct the Laboratory Equipment strictly in accordance with the approved plans and specifications and to complete such work expeditiously, in a good and workmanlike manner, free and clear of all Liens and in compliance with all Legal Requirements and Insurance Requirements. Supplementing the foregoing, Tenant agrees further to comply with all other applicable provisions of this Lease with respect to the installation, maintenance, repair, alteration, use, operation and replacement of the Laboratory Equipment and access thereto, including, without limitation, Article 7, Article 10 and Article 11 hereof.

36.4 Tenant hereby covenants and agrees that (i) Tenant shall, at its sole cost and expense, comply with all Legal Requirements and Insurance Requirements and procure and maintain all necessary permits and approvals required in connection with the operation, installation, maintenance, repair, alteration, replacement and removal of the Laboratory Equipment and maintain the Laboratory Equipment in a good and safe condition; (ii) the Laboratory Equipment shall not adversely affect, undermine or interfere with the structure of the Building, the roof system of the Building, any solar

panels installed on the roof of the Building, or any of the systems of the Building (including, without limitation, the electrical, plumbing, heating, ventilating, air conditioning and life safety systems); (iii) the Laboratory Equipment shall not interfere with the use and enjoyment of other areas of the Building by tenants, their employees and other occupants of the Building; (iv) the Laboratory Equipment shall not materially interfere with equipment (including, without limitation, telecommunications equipment and solar panels) used by Landlord or tenants, their employees and other occupants of the Building; (v) if the Laboratory Equipment interferes with equipment (including, without limitation, telecommunications equipment and solar panels) used by Landlord or tenants, their employees and other occupants of the Building, Tenant shall, at no cost or expense to Tenant and without diminishing any of Tenant's rights under this Article 36, reasonably cooperate with Landlord in connection with eliminating the interference, (vi) Tenant shall, at its sole cost and expense, promptly repair any damage (whether structural or non-structural) caused to the roof or any other portion of the Property or its fixtures, equipment and appurtenances by reason of the installation, maintenance, repair, alteration, replacement or operation of the Laboratory Equipment (or, at Landlord's election, Landlord shall perform such repairs and Tenant shall reimburse Landlord for the reasonable out-of-pocket costs thereof within thirty (30) days after receipt of demand therefor from Landlord); (vii) the Laboratory Equipment shall not emit sound which is audible in any leasable areas of the Building other than the Premises or cause any vibration; (viii) Tenant shall pay any additional or increased insurance premiums incurred by Landlord as a result of the installation of the Laboratory Equipment, to the extent there is a quantifiable increase directly attributable to the installation and operation of the Laboratory Equipment; (ix) the Laboratory Equipment, and Tenant's installation thereof, shall not invalidate any warranties or guarantees relating to the roof of the Building; and (x) Tenant shall cooperate, at Tenant's cost and expense, with Landlord in connection with the maintenance, repair and replacement by Landlord of the roof of the Building, including without limitation, by temporarily moving the Laboratory Equipment, upon prior written notice from Landlord, to accommodate such maintenance, repair or replacement.

36.5 Tenant acknowledges that Tenant's use of the roof and the conduit space in the Building pursuant to this Article 36 is a non-exclusive use, and Landlord may permit any person or entity to use any of the conduit spaces in the Building and any portion of the roof of the Building, other than Tenant's Roof Top Equipment Area, for any purpose. Further, Landlord and its agents and representatives shall have the same rights with respect to Tenant's Roof Top Equipment Area that such parties have with respect to the Premises pursuant to Article 21, and Tenant shall have the same obligations with respect to Tenant's Roof Top Equipment Area that Tenant has with respect to the Premises pursuant to Article 21.

36.6 Notwithstanding anything to the contrary contained in this Lease, Tenant shall remove the Laboratory Equipment upon the expiration or earlier termination of the Term and repair any damage to the roof of the Building or other portions of the Property caused by the installation or removal of the Laboratory Equipment, all at Tenant's sole cost and expense (or, at Landlord's election, Landlord shall perform such repairs and Tenant shall reimburse Landlord for reasonable out-of-pocket costs thereof within thirty (30) days after receipt by Tenant of Landlord's demand therefor). Landlord shall have no liability to repair or maintain the Laboratory Equipment.

36.7 Tenant's access to the roof of the Building shall be subject to Landlord's reasonable security regulations. Landlord shall have the right to require, as a condition to access to the roof or

the Equipment Conduits, that Tenant or Tenant's agents, contractors or employees at all times be accompanied by a representative of Landlord.

36.8 Without limiting Tenant's obligations under Section 14.3, Tenant shall indemnify, defend and hold Landlord and its members, directors, officers, agents and employees harmless from and against any and all liability, damages, claims, costs or expenses arising out of the installation, maintenance, operation, repair, alteration and replacement of any Laboratory Equipment, together with all costs, expenses and liabilities incurred in or in connection with each such claims or action or proceeding brought thereon (including, without limitation, all reasonable attorneys' fees and expenses), except for such of the foregoing that arise from the negligence or willful misconduct of Landlord or its agents, servants or employees. Tenant's obligations under this Section 36.8 shall survive the expiration or earlier termination of the Term.

36.9 Tenant shall pay all electric and any other utility costs relating to the Laboratory Equipment. Landlord shall have the right to require Tenant to pay such costs based on any reasonable method specified by Landlord, including, without limitation, if Landlord elects (i) tying, at Tenant's expense, the Laboratory Equipment into the submeter or check meter serving the Premises pursuant to Section 6.1 hereof, (ii) installing separate submeter(s) or check meters for the Laboratory Equipment, at Tenant's expense or (iii) requiring Tenant to pay the costs based on a survey of consumption performed from time to time, at Tenant's expense. Tenant shall pay such amounts in accordance with a schedule specified by Landlord or, if Landlord does not establish a schedule, within thirty (30) days after any request made by Landlord.

ARTICLE 37 LANDLORD DEFAULT

37.1 In the event of any default by Landlord under this Lease, except as expressly set forth in Section 37.2 below, Tenant's exclusive remedy shall be an action for damages (subject to Section 14.5 of this Lease), but prior to any such action Tenant must give Landlord written notice specifying such default with particularity, and Landlord shall have thirty (30) days after receipt of such written notice in which to cure any such default; provided, however, if such default cannot, by its nature, be cured within such thirty (30) day period, then Landlord shall have such additional time as is reasonably necessary to cure such default, provided Landlord commences its cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion, not to exceed an additional sixty (60) days (a "Landlord Default").

37.2 In the event of a Landlord Default related to Landlord's obligation under this Lease to maintain any portion of the Premises which Landlord is obligated to maintain hereunder, and if not cured within fifteen (15) days, such default would materially and adversely affect Tenant's use and occupancy of the Premises, or Tenant's ability to conduct Tenant's business in the Premises, then Tenant may cure the default at the expense of Landlord in accordance with the provisions hereof. All reasonable costs and expenses incurred by Tenant in connection with any such cure performed by Tenant in accordance with the provisions hereof shall be paid by Landlord to Tenant upon thirty (30) days' notice, which notice shall include copies of all applicable invoices for which Tenant is requesting reimbursement, together with evidence that such costs have been paid in full by Tenant. If Landlord fails to pay any amounts due pursuant to this Section 37.2 within thirty (30) days pursuant to the preceding sentence, and such failure continues for an additional fifteen (15) days

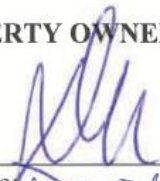
after Landlord receives Tenant's notice of such failure and of Tenant's intent to exercise its offset right under this Section 37.2, then Tenant shall have the right, upon notice given to Landlord, to offset the amounts due from Landlord against the Basic Rent and Additional Rent next coming due hereunder until such amounts have been fully offset. In the event Tenant exercises its right to cure pursuant to this Section 37.2, all work performed by Tenant shall be conducted in a good and workmanlike manner in accordance with all applicable Legal Requirements and such work shall be in accordance with all other applicable provisions of this Lease, including the other provisions of Article 7. Tenant shall not interfere with the rights of other tenants or occupants of the Building in exercising or performing its cure right.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

Landlord:

184 PROPERTY OWNER, LLC

By: 

Name: David T. Welsh
Title: Authorized Signatory

Tenant:

AQUESTIVE THERAPEUTICS, INC.

By: _____

Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

Landlord:

184 PROPERTY OWNER, LLC

By: _____

Name:

Title:

Tenant:

AQUESTIVE THERAPEUTICS, INC.

DocuSigned by:

Dan Barber

By: _____01F57B17858D447

Name: Dan Barber

Title: CEO

SCHEDULE A

LEGAL DESCRIPTION OF LAND

All that certain Lot piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Warren, County of Somerset, State of New Jersey:

BEGINNING AT A POINT ON THE SOUTHERLY SIDELINE OF INDEPENDENCE BOULEVARD WHERE THE SAME IS INTERSECTED BY THE NORTHEASTERLY SIDELINE OF LOT 2 IN BLOCK 101 AND THE NORTHWESTERLY SIDELINE OF LOT 3 IN BLOCK 101 AS SHOWN ON A MAP ENTITLED, "AMENDED PHASE I AND PHASE II - FINAL PLAT, PREPARED FOR SOMERSET HILLS CORPORATE CENTER, SITUATED IN THE TOWNSHIP OF WARREN, SOMERSET COUNTY, NEW JERSEY", DATED MAY 16, 1984 PREPARED BY VAN CLEFF ENGINEERING ASSOCIATES, SAID MAP HAVING BEEN FILED IN THE SOMERSET COUNTY CLERK'S OFFICE ON AUGUST 16, 1985 AS MAP NO. 2252. SAID POINT ALSO BEING 673.57 FEET NORTHEASTERLY ALONG THE NORTHERLY SIDELINE OF INDEPENDENCE BOULEVARD ITS VARIOUS COURSES FROM ITS INTERSECTION WITH THE EASTERLY SIDELINE OF MARTINS VILLE LIBERTY CORNER ROAD, AND FROM SAID POINT; THENCE

1. ALONG THE SOUTHERLY SIDELINE OF INDEPENDENCE BOULEVARD, NORTH 47 DEGREES, 32 MINUTES, 25 SECONDS EAST, A DISTANCE OF 224.91 FEET TO A POINT; THENCE

2. STILL ALONG THE SOUTHERLY SIDELINE OF INDEPENDENCE BOULEVARD ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 150.00 FEET, AN ARC LENGTH OF 73.42 FEET TO A POINT; THENCE

3. SOUTH 78 DEGREES, 46 MINUTES, 48 SECONDS EAST, A DISTANCE OF 420.94 FEET TO A POINT; THENCE

4. NORTH 78 DEGREES, 34 MINUTES, 01 SECONDS EAST, A DISTANCE OF 595.13 FEET TO A POINT; THENCE

5. ALONG THE DEAD RIVER, SOUTH 13 DEGREES, 57 MINUTES, 00 SECONDS EAST, A DISTANCE OF 19.25 FEET TO A POINT; THENCE

6. STILL ALONG THE DEAD RIVER, SOUTH 06 DEGREES, 00 MINUTES, 00 SECONDS EAST, A DISTANCE OF 145.00 FEET TO A POINT; THENCE

7. STILL ALONG THE DEAD RIVER, SOUTH 02 DEGREES, 47 MINUTES, 00 SECONDS WEST, A DISTANCE OF 120.00 FEET TO A POINT; THENCE

8. STILL ALONG THE DEAD RIVER, SOUTH 10 DEGREES, 57 MINUTES, 00 SECONDS WEST, A DISTANCE OF 150.11 FEET TO A POINT; THENCE

9. SOUTH 84 DEGREES, 21 MINUTES, 46 SECONDS WEST, A DISTANCE OF 941.47 FEET TO A POINT; THENCE

10. NORTH 42 DEGREES, 27 MINUTES, 35 SECONDS WEST, A DISTANCE OF 371.55 FEET TO A POINT AND PLACE OF BEGINNING.

TOGETHER WITH THE BENEFITS OF THE PRIVATE ROADWAY EASEMENT AS SET

Schedule A

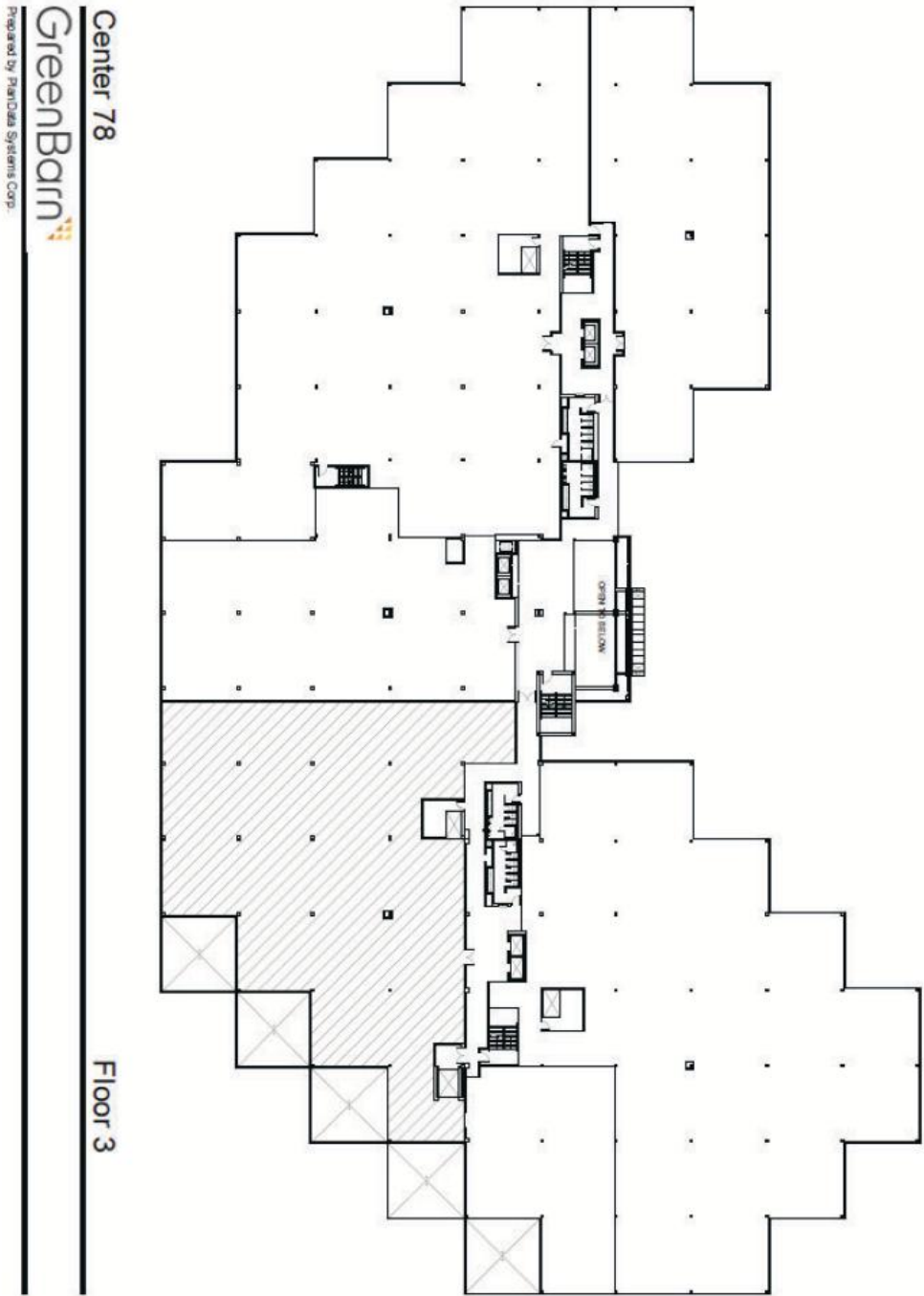
FORTH ON FILED MAP No. 2252.

**FOR INFORMATION ONLY, AS TAX LOT 2.02, BLOCK 2 ON THE TAX MAP OF THE
TOWNSHIP OF WARREN (FORMERLY KNOWN AS TAX LOT 3, BLOCK 101).**

Schedule B

SCHEDULE B

PREMISES



Schedule B

SCHEDULE C
JANITORIAL SERVICES

Landlord shall perform the following general office cleaning services between the hours of 6:00 p.m. and 7:00 AM., Monday through Friday, of each week (with the exception of Building Holidays) and said cleaning shall not be rescheduled by Tenant's overtime or extraordinary use of the Building or Premises.

- A. Empty all wastepaper baskets.
- B. Sweep and/or dust-mop all hard surfaced flooring.
- C. Carpet sweep all areas requiring same. Said areas to be vacuumed clean twice weekly; conduct spot cleaning where necessary.
- D. Deposit all wastepaper from baskets in plastic bags (to be supplied by contractor), placing same in locations as shall be designated convenient for the removal thereof. Landlord shall not be responsible for the removal of large boxes, wooden pallets or excessive amounts of waste paper, office equipment of any kind including, but not limited to, cpu's, monitors, copiers and facsimile machines. Tenant shall cooperate with recycling programs in effect, or which may be instituted at a later date.
- E. Within pantry area, if any, wipe down countertops and table tops daily and remove ordinary amounts of trash therefrom.
- F. Hand dust all desks, chairs, worktables, office furniture and equipment within normal arms reach, provided free of paperwork.
- G. Damp dust and wipe clean all glass tops, desks and tables (removing all finger marks and smudges from same).
- H. Wipe clean of finger marks and maintain all brass and other bright work.
- I. Wash and clean tops of water coolers and fountains and floors and wall areas surrounding same.
- J. Wisk brush all fabric covered furniture monthly.
- K. Instruct all employees to notify their supervisor, who in turn shall notify the proper designated representative of the Building, of any irregularity found in any office during the nightly tour of office cleaning.

Schedule C-1

L. After cleaning, all electric lamps are to be extinguished, office windows closed, office doors closed and Premises to be left in a neat and orderly condition.

M. Ledges, mouldings, venetian blinds and other high dusting once per year.

N. Clean inside of exterior windows once per year, provided window sills are free of articles and access is not restricted by Tenant.

Schedule C-2

SCHEDULE D

FINISH WORK

1. Tenant hereby advises Landlord that Tenant desires to perform certain work (the ***“Finish Work”***) to the Premises in accordance with the schematic drawings attached as ***Schedule D-1*** hereto (the ***“Preliminary Plans”***). Landlord hereby acknowledges that it has reviewed and approved the Preliminary Plans, subject to Landlord’s review and approval of the Working Plans (as defined below).

2. (a) As soon as reasonably possible after the date of execution of this Lease, but in no event later than sixty (60) days after the execution of this Lease, Tenant shall deliver to Landlord four (4) sets of working plans and specifications prepared in conformity with the Preliminary Plans, which working plans and specifications shall: (i) be prepared and stamped by a licensed professional engineer and/or architect both of whom have been approved by Landlord, such approval not to be unreasonably withheld; (ii) be in compliance with all applicable Legal Requirements; and (iii) include, without limitation, construction working drawings, mechanical, electrical, and plumbing drawings (MEPs), fire protection system, safety systems, and other technical specifications, and the finishing details, including without limitation a list of the types and quality of materials to be used in constructing the Finish Work, including Tenant’s selection of Landlord’s standard finishes, wall finishes, colors and technical and mechanical equipment installation, if any, detailing installation of the Finish Work. Landlord shall notify Tenant whether it approves or disapproves of such working plans and specifications within ten (10) Business Days after Landlord’s receipt thereof. If Landlord notifies Tenant of any objections to such working plans and specifications (such notice, an ***“Objection Notice”***), Tenant shall make necessary revisions and resubmit the same to Landlord within ten (10) Business Days of Tenant’s receipt of the Objection Notice. Landlord shall approve or disapprove such revised working plans and specifications within five (5) Business Days after Tenant submits the same to Landlord. Landlord’s approval shall be evidenced by endorsement to that effect on one set of the working plans and specifications and the return of such signed set to Tenant. The working plans and specifications approved by Landlord are hereinafter referred to as the ***“Working Plans”***.

(b) If Tenant desires any changes to the Working Plans, Tenant shall submit such proposed changes to Landlord. Within five (5) Business Days after receipt of any proposed changes from Tenant, Landlord shall approve or reject such changes and, if rejecting such changes, shall state the reasons for such rejection. In the event of a rejection by Landlord of any proposed changes, Tenant may revise such changes and re-submit them pursuant hereto. All plans submitted by Tenant to Landlord must be signed and sealed.

(c) Prior to commencing any of the Finish Work, Tenant shall notify Landlord in writing of the names of the contractors who will construct the Finish Work, and Tenant shall furnish to Landlord such other information as Landlord may reasonably request. Such contractors shall be approved in advance by Landlord, which approval shall not be unreasonably withheld. If Tenant’s contractors do not work in harmony with, or interfere with, other labor employed by Landlord or by Landlord’s contractors, or in the event of the occurrence of any work stoppage, strike or other labor dispute on the Property arising out of or in connection with Tenant’s contractors, then Landlord will have the right to require Tenant to remove or to cause the removal

Schedule D-1

of those contractors designated by Landlord. Tenant shall construct the Finish Work in a good and workmanlike manner and in compliance with all applicable Legal Requirements and Insurance Requirements and strictly in accordance with the Working Plans. In connection with the installation of the Finish Work, Tenant shall comply with other applicable provisions of this Lease, including, without limitation, Sections 7.3 and 7.4.

(d) Prior to entering upon the Premises, Tenant shall submit proof to Landlord's satisfaction that Tenant has in full force and effect the insurances required under Article 14 of the Lease.

3. (a) In connection with the Finish Work, Landlord agrees to pay to Tenant an amount equal to Nine Hundred Sixty Seven Thousand Two Hundred Fifty Dollars (\$967,250.00) (\$50.00 per rentable square foot of the Premises) (such amount being hereinafter referred to as the "**Allowance**"). Tenant acknowledges and agrees that the Allowance may be applied only against the actual reasonable out-of-pocket "**Costs**" incurred by Tenant in connection with the Finish Work. The term "**Costs**" means only (i) the cost of labor and materials and general conditions costs charged by the contractors performing the Finish Work and (ii) architectural and engineering fees and costs associated with construction drawings, design drawings, mechanical, electrical and plumbing (MEP) drawings and other plans required for permitting and permit fees (including the Working Plans), project manager fees and costs and other similar fees and costs, but otherwise not other "soft costs" (the costs in this clause (ii), "**Soft Costs**"). Notwithstanding the foregoing, no more than a total of \$193,450.00 of the Allowance (the "**Soft Cost Allowance**") shall be applied to Soft Costs and rent abatement as provided in Section 5 herein. The difference between \$193,450.00 and the amount that Lessee is reimbursed on account of Soft Costs from the Allowance as part of the Finish Work is hereinafter referred to as the "**Remaining Soft Cost Allowance**".

(b) Landlord shall make payments to Tenant from the Allowance as the Finish Work progresses in accordance with the provisions hereof. To receive all or any part of Allowance, Tenant shall submit to Landlord a standard AIA requisition form as the Finish Work progresses, but, in any event, not more than once per month, together with (i) a certification from Tenant's architect certifying that the portion of the Finish Work for which reimbursement has been sought has been completed substantially in accordance with the Working Plans, (ii) lien waivers from the general contractor in connection with such portion of the Finish Work for which reimbursement is being sought, (iii) evidence of the Costs for which reimbursement is being sought reasonably satisfactory to Landlord, and (iv) with respect to the final draw only, (y) a copy of the certificate of occupancy and/or any other permit or approval required in connection with the completion of the Finish Work and/or Tenant's occupancy of the Premises, and (z) lien waivers from all contractors, subcontractors, suppliers and materialmen who performed work, furnished services or provided materials in connection with the Finish Work. Landlord shall pay the Allowance (or the applicable portion thereof) to Tenant within thirty (30) days after Landlord's receipt of the above documentation. If Landlord has not paid the requested amount to Tenant within said thirty (30) day period, and such failure continues for thirty (30) days after Landlord receives notice thereof from Tenant and Tenant's intention to offset the amount if not paid within thirty (30) days after Landlord's receipt of Tenant's second notice, then Tenant shall have the right to set off against the Basic Rent and Additional Rent first thereafter coming due, an amount equal to the amount requested by Tenant pursuant to this Section 3(b) and not paid by Landlord.

Schedule D-2

4. Within thirty (30) days after request from Tenant, which request shall include copies of applicable invoices for which Tenant is seeking reimbursement, Landlord shall reimburse Tenant for the actual costs incurred by Tenant for Tenant's initial schematic drawings for the Premises in an amount not to exceed \$2,901.75 (i.e., \$00.15 per rentable square foot of the Premises). The costs paid by Landlord to Tenant pursuant to this Section 4 shall be deducted from the Allowance (but not the Soft Cost Allowance).

5. If after the Occupancy Date and after Landlord has reimbursed Tenant pursuant to Section 3(b) hereof for the Costs to perform the Finish Work, the Remaining Soft Cost Allowance has not been exhausted by the payment of Soft Costs, then, provided no Event of Default has occurred and is then continuing, Tenant shall be entitled to receive a credit against the Basic Rent in the amount of the Remaining Soft Cost Allowance. Such credit shall be applied against the Basic Rent first coming due hereunder after the Basic Rent Commencement Date until the credit amount is fully exhausted. If after application of the Remaining Soft Cost Allowance as a credit against the Basic Rent, or if Tenant elects not to apply the Remaining Soft Cost Allowance as a credit against Basic Rent, and after Landlord has reimbursed Tenant pursuant to Section 3(b) hereof for the Costs to perform the Finish Work, there is any remaining unexhausted Allowance (the "***Remaining Allowance***"), then such Remaining Allowance shall be made available to Tenant if Tenant exercises its option to Lease the Expansion Space pursuant to Articles 32 hereof, in order for Tenant to perform improvements to the Expansion Space.

SCHEDULE D-1
PRELIMINARY PLANS

Schedule D-4



KIMMERLE NEWMAN
ARCHITECTS, PA

Aqueositive Therapeutics, Inc

architecture
planning
interiors
1109 Mt Kemble Road, Harding, NJ
NYC, Conn
973 538 8885

3rd Floor, 184 Liberty
CENTER 78, WARREN, NJ
3.22.26

SCHEDULE E

RULES AND REGULATIONS

1. The rights of Tenant in the entrances, corridors, elevators and escalators of the Building are limited to ingress to and egress from the Premises for the Tenant and Tenant's Visitors, and Tenant shall not use, or permit the use of, the entrances, corridors, escalators or elevators for any other purpose. Fire exits and stairways are for emergency use only, and they shall not be used for any other purposes by Tenant and Tenant's Visitors. Tenant shall not encumber or obstruct, or permit the encumbrance or obstruction of any of the sidewalks, plazas, entrances, corridors, escalators, elevators, fire exits or stairways of the Building. Landlord reserves the right to control and operate the public portions of the Building and the Property and the public facilities, as well as facilities furnished for the common use of the tenants, in such manner as Landlord, in its sole and absolute discretion, deems best for the benefit of the tenants generally.

2. The cost of repairing any damage to the public portions of the Building and the Property or the public facilities or to any facilities used in common with other tenants, caused by Tenant or Tenant's Visitors shall be paid by Tenant.

3. Landlord may refuse admission to the Building outside of ordinary business hours to any person not known to the watchman in charge, if any, or not having a pass issued by Landlord or not properly identified, and may require all persons admitted to or leaving the Building outside of ordinary business hours to register. Any person whose presence in the Building or the Property at any time shall, in the sole judgment of Landlord, be prejudicial to the safety, character, reputation and interests of the Building, the Property or its tenants may be denied access to the Building or the Property or may be ejected therefrom. In case of invasion, riot, public excitement or other commotion, Landlord may prevent all access to the Building and the Property during the continuance of the same, by closing the doors or otherwise, for the safety of the tenants and protection of property at the Property. Landlord may require any person leaving the Building with any package or other object to exhibit a pass from Tenant, but the establishment and enforcement of such requirement shall not impose any responsibility on Landlord for the protection of Tenant against the removal of property from the Premises. Landlord shall, in no way, be liable to Tenant for damages or loss under the provisions of this rule.

4. No awnings or other protections over or around the windows shall be installed by Tenant, and only such window blinds as are supplied or permitted by Landlord shall be used in the Premises.

5. There shall not be used in any space, or in the public halls or public portions of the Building, either by Tenant or Tenant's Visitors, in the delivery or receipt of mail, parcels, merchandise, any hand trucks, except those equipped with rubber tires and side guards which have been approved by Landlord. Landlord may refuse admission to the Building to any person not complying with this requirement. No hand trucks will be allowed in passenger elevators.

6. All entrance doors in the Premises shall be locked when the Premises are not in use. Entrance doors shall not be left open at any time. All window blinds in the Premises shall be lowered when

Schedule E-1

reasonably required because of the position of the sun, during the operation of the Building air cooling system to cool or ventilate the Premises.

7. No noise, including the playing of any musical instruments, radio or television, which in the sole judgment of Landlord, might disturb other tenants in the Building shall be made or permitted by Tenant, and no cooling shall be done in the Premises, except as expressly approved in writing by Landlord. Nothing shall be done or permitted in the Premises, and nothing shall be brought into or kept in the Premises, which would impair or interfere with any of the Building Services or the proper and economic heating, cleaning or other servicing of the Building or the Premises or the use or enjoyment by any other tenant of any other premises, nor shall there be installed by Tenant any ventilating, air cooling, electrical or other equipment of any kind which, in the sole judgment of Landlord, might cause any such impairment or interference. Except as permitted by the terms of the Lease, no dangerous, flammable, combustible or explosive object or material shall be brought into the Building or the Property by Tenant or with permission of Tenant.

8. Tenant shall not allow any cooking or food odors (if cooking is so permitted under its lease) to emanate from the Premises into other portions of the Building. Tenant agrees that it shall use, at it's cost, a pest extermination contractor at such times or regular intervals as shall be necessary to prevent or eliminate infestation or otherwise as Landlord may reasonably require. Said extermination contractor shall be duly licensed and shall be approved in advance by Landlord.

9. No acids, vapors, coffee grinds, foreign substances or other materials shall be discharged or permitted to be discharged into the plumbing waste lines, vents or flues of the Building, which may obstruct or damage them. The water and wash closets and other plumbing fixtures in or servicing the Premises shall not be used for any purpose other than the purpose for which they were designed or constructed, and no sweeping, rubbish, rags, acids, coffee or other foreign substances shall be deposited therein. All damages to facilities within the Premises or to any Building facilities resulting from any misuse of the fixtures shall be borne by Tenant if Tenant or Tenant's Visitors caused the same.

10. No signs, advertisements, notices or other lettering shall be exhibited, inscribed, painted or affixed by Tenant on any part of the outside of the Premises without the prior written consent of Landlord, except as set forth in the Lease. In the event of the violation of the foregoing by Tenant, Landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

11. Tenant shall not engage or pay any employees in the Building, except those actually working for Tenant or occupant in the Building, nor advertise for laborers giving an address at the Building.

12. The requirements of Tenant will be attended to only upon application at the office of the Building Manager. Employees of Landlord or of Landlord's managing agent shall not perform any work or do anything outside of the regular duties, unless under special instructions from the office of Landlord.

13. Tenant shall, at its expense, provide reasonable artificial light in the Premises for Landlord's agents, contractors and employees while performing janitorial or other cleaning services and making repairs or alterations in the Premises.

Schedule E-2

14. Tenant's Visitors shall not loiter nor shall they smoke in or around the hallways, stairways, elevators, entryways, vestibules, roof, restrooms, basement areas, loading docks, lobbies or any other part of the Building used in common by the occupants thereof.

15. If the Premises become infested with vermin, Tenant, at its expense, shall cause the Premises to be exterminated, from time to time, to the satisfaction of Landlord.

16. Except as expressly provided in the Lease, Tenant shall not mark, paint, drill into, or in any way deface any part of the Premises. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. Tenant shall not lay linoleum, or other similar floor covering so that the same shall come in direct contact with the floor of the Premises and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor by a paste or other material, soluble in water. The use of cement or other similar adhesive material is expressly prohibited.

17. No additional locks and bolts of any kind shall be placed on any of the doors or windows by Tenant, except for a Secure Area, nor shall any changes be made in existing locks and mechanisms thereof. Tenant must, upon the termination of its tenancy, restore to Landlord all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such tenant shall pay to Landlord the cost thereof.

18. No contract of any kind with any supplier of toilet articles, waxing, rug shampooing, venetian blind washing, furniture polishing, lamp servicing, cleaning of electrical fixtures, removal of waste paper, rubbish or garbage, or other like service shall be entered into by Tenant, nor shall any vending machine of any kind be installed in the Building without the prior written consent of Landlord.

19. Landlord shall have the right to prescribe the weight, size and position of all safes and other bulky or heavy equipment and all freight brought into the Building or the Property by Tenant and the time of moving the same in and out of the Building or the Property. All such moving shall be done under the supervision of Landlord. Landlord will not be responsible for loss of or damage to any such equipment or freight from any cause; but all damage done to the Building or Property by moving or maintaining any such equipment or freight shall be repaired at the expense of such tenant. All safes shall stand on a base of such size as shall be designated by Landlord. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part.

20. No machinery of any kind or articles of unusual weight or size will be allowed in the Building, without the prior written consent of Landlord. Business machines and mechanical equipment shall be placed and maintained by tenant, at tenant's expense, in settings sufficient, in Landlord's judgment, to absorb and prevent vibration, noise and annoyance to other tenants.

21. No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the Property.

Schedule E-3

22. Canvassing, soliciting and peddling in the Building and/or on the Property are prohibited, and Tenant shall cooperate to prevent the same.

23. Landlord hereby reserves to itself any and all rights not granted to Tenant hereunder, including, but not limited to, the following rights which are reserved to Landlord for its purposes in operating the Property: (a) the exclusive right to the use of the name of the Property for all purposes, except that Tenant may use the name of the Property in its business address and for no other purpose; (b) the right to change the name or address of the Property, without incurring any liability to tenant for so doing; (c) the right to install and maintain a sign or signs on the exterior of the Property; (d) the exclusive right to use or dispose of the use of the roof of the Building, except as set forth in Article 36 of the Lease; (e) the exclusive right to limit the space on the directory of the Property to be allotted to Tenant; and (f) the right to grant to anyone the exclusive right to conduct any particular business or undertaking in the Property.

SCHEDULE F
INTENTIONALLY BLANK

MIAMI 5386073.1 81417/45458

SCHEDULE F

124054739.9

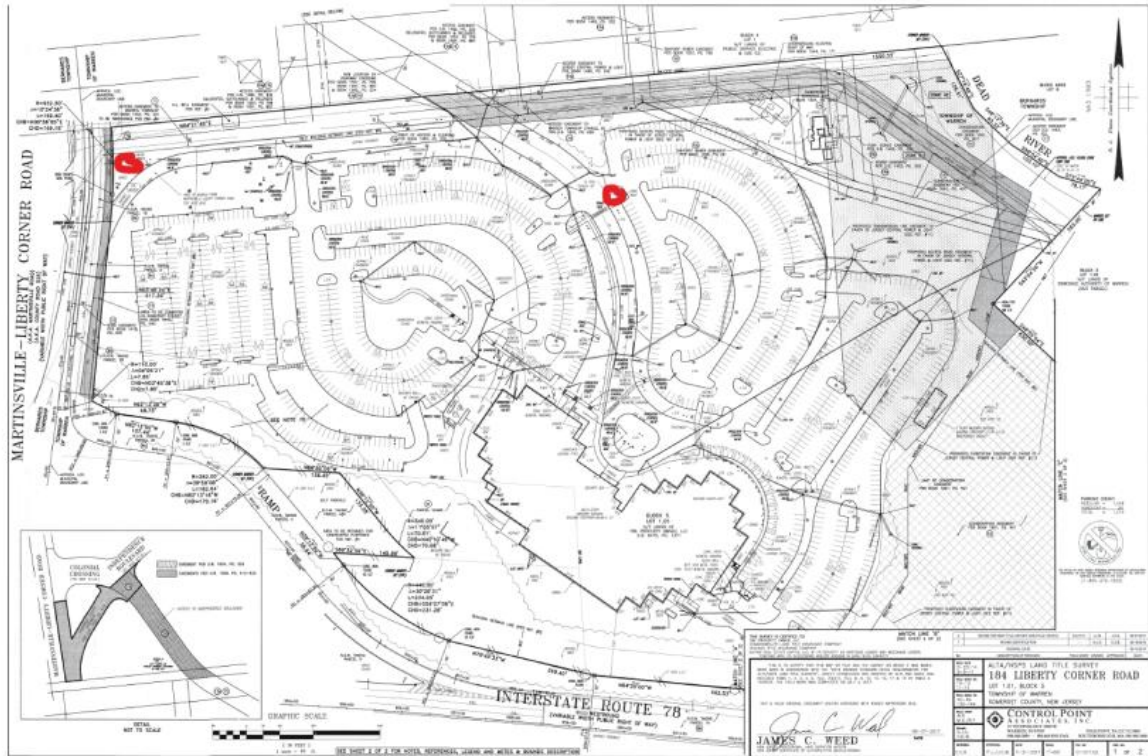
SCHEDULE G

LOCATION OF RESERVED PARKING SPACES



SCHEDULE H

LOCATION OF MONUMENT SIGNS



MIAMI 5386073.1 81417/45458

SCHEDULE H

124054739.9

SCHEDULE I

FORM OF NON-DISTURBANCE AGREEMENT

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT (this "**Agreement**") is entered into as of April __, 2026 (the "**Effective Date**"), among **Computershare Trust Company, National Association as Trustee, as successor-in-interest to Wells Fargo Bank, National Association, as Trustee, on behalf of the registered Holders of CSAIL 2017-CX9 Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CX9 ("Lender")**, whose address is Computershare Trust Company, National Association, 550 S. Tryon St., 25th Floor, Charlotte, NC 28202, **Aquestive Therapeutics, Inc. ("Tenant")**, whose address is 30 Technology Drive, Warren, New Jersey 07059, and **184 Property Owner, LLC**, a Delaware limited liability company ("**Landlord**"), whose address is 53 Maple Avenue, Morristown, New Jersey 07960, with reference to the following facts:

A. Landlord owns the real property commonly known as Block 5, Lot 1.01 on the official tax map of Township of Warren and having a street address of 184 Liberty Corner Road, Warren, New Jersey 07059, such real property, including all buildings, improvements, structures and fixtures located thereon, (all or any portion thereof being referred to herein as the "**Landlord's Premises**"), as more particularly described on **Exhibit A**.

B. Natixis Real Estate Capital LLC ("**Original Lender**") made a loan to Landlord (the "**Loan**").

C. To secure the Loan, Landlord encumbered Landlord's Premises by entering into that certain Mortgage, Assignment of Leases and Rents and Security Agreement in favor of Original Lender (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "**Security Instrument**") recorded in the applicable land records of Warren County, New Jersey.

D. Lender is now the holder of the Security Instrument and has authority to enter into this Agreement.

E. Pursuant to that certain **Lease Agreement** dated as of as of the date hereof, together with any amendments, modifications and renewals approved in writing by Lender to the extent such approval is required by the Security Instrument (the "**Lease**"), Landlord demised to Tenant a portion of Landlord's Premises ("**Tenant's Premises**").

F. Lender has been requested by Landlord and Tenant to enter into this Agreement, and Tenant and Lender desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, Tenant and Lender agree:

1. Definitions. The following terms shall have the following meanings for purposes of this Agreement:
 - 1.1. **"Construction-Related Obligation"** means any obligation of Former Landlord (as hereinafter defined) under the Lease to make, pay for, or reimburse Tenant for any alterations, demolition, or other improvements or work at Landlord's Premises, including Tenant's Premises. **"Construction-Related Obligation"** shall not include: (a) reconstruction or repair following any fire, casualty or condemnation which occurs after the date of a Foreclosure Event, but only to the extent of the insurance or condemnation proceeds actually received by Successor Landlord for such reconstruction and repair, less Successor Landlord's actual expenses in administering such proceeds; or (b) day-to-day maintenance and repairs.
 - 1.2. **"Foreclosure Event"** means (a) foreclosure under the Security Instrument as a result of which Successor Landlord becomes owner of Landlord's Premises; (b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including bankruptcy law) as holder of the Loan and/or the Security Instrument, as a result of which Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Former Landlord to Lender (or its designee or nominee) of a deed or other conveyance of Former Landlord's interest in Landlord's Premises in lieu of any of the foregoing.
 - 1.3. **"Former Landlord"** means Landlord and/or any other party that was landlord under the Lease at any time before the occurrence of a Foreclosure Event.
 - 1.4. **"Offset Right"** means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or other applicable law) from acts or omissions of Former Landlord and/or from Former Landlord's breach or default under the Lease.
 - 1.5. **"Rent"** means any fixed rent, base rent or additional rent under the Lease.
 - 1.6. **"Successor Landlord"** means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.
 - 1.7. **"Termination Right"** means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Former Landlord's breach or default under the Lease.
2. Subordination. The Lease, and all right, title and interest of the Tenant thereunder and of the Tenant to and in the Landlord's Premises, are, shall be, and shall at all times remain, subject and subordinate to the lien imposed by the Security Instrument and all advances made under the Security Instrument.
3. Payment to Lender. In the event Tenant receives written notice (the **"Rent Payment Notice"**) from Lender or from a receiver for the Landlord's Premises that there has been a default under the Security Instrument and that rentals due under the Lease are to be paid to Lender or to the receiver

(whether pursuant to the terms of the Security Instrument or of that certain Assignment of Rents and Leases executed by Landlord as additional security for the Loan), Tenant shall pay to Lender or to the receiver, as applicable, or shall pay in accordance with the directions of Lender or of the receiver, all Rent and other monies due or to become due to Former Landlord under the Lease, notwithstanding any contrary instruction, direction or assertion of Former Landlord. Former Landlord hereby expressly and irrevocably directs and authorizes Tenant to comply with any Rent Payment Notice, notwithstanding any contrary instruction, direction or assertion of Former Landlord, and Former Landlord hereby releases and discharges Tenant of and from any liability to Former Landlord on account of any such payments. The delivery by Lender or the receiver to Tenant of a Rent Payment Notice, or Tenant's compliance therewith, shall not be deemed to: (i) cause Lender to succeed to or to assume any obligations or responsibilities as landlord under the Lease, all of which shall continue to be performed and discharged solely by the applicable Former Landlord unless and until a Foreclosure Event has occurred pursuant to this Agreement; or (ii) relieve the applicable Former Landlord of any obligations under the Lease. Tenant shall be entitled to rely on any Rent Payment Notice. Tenant shall be under no duty to controvert or challenge any Rent Payment Notice. Tenant's compliance with a Rent Payment Notice shall not be deemed to violate the Lease. Tenant shall be entitled to full credit under the Lease for any Rent paid to Lender or the receiver pursuant to a Rent Payment Notice to the same extent as if such Rent were paid directly to Former Landlord.

4. Nondisturbance, Recognition and Attornment.

- 4.1. No Exercise of Security Instrument Remedies against Tenant. So long as (i) the Lease has not expired or otherwise been validly terminated by Former Landlord and (ii) there is no existing default under or breach of the Lease by Tenant that is continuing beyond the expiration of any applicable notice and cure periods (an "**Event of Default**"), Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default under the Security Instrument unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Former Landlord or prosecuting such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise diminish or interfere with Tenant's rights under the Lease or this Agreement in such action.
- 4.2. Nondisturbance and Attornment. So long as (i) the Lease has not expired or otherwise been validly terminated by Former Landlord, (ii) an Event of Default has not occurred and (iii) no condition exists which would cause or entitle Former Landlord to terminate the Lease on its terms, or to dispossess the Tenant that would not be an Event of Default, then, if and when Successor Landlord takes title to Landlord's Premises on account of a Foreclosure Event: (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant; and (e) Successor Landlord shall have all the rights and remedies of the landlord under the Lease, including, without limitation, rights or remedies arising by reason of any Event of Default by Tenant under the Lease, whether occurring before or after the Successor Landlord takes title to the Landlord's Premises.

- 4.3. Protection of Successor Landlord. Notwithstanding anything to the contrary in the Lease or the Security Instrument, neither Lender nor Successor Landlord shall be liable for or bound by any of the following matters:
- a. Claims against Former Landlord. Any Offset Right or Termination Right that Tenant may have against any Former Landlord relating to any event or occurrence before the occurrence of a Foreclosure Event, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the occurrence of a Foreclosure Event. The foregoing shall not limit Tenant's right to exercise against Successor Landlord any Offset Right or Termination Right otherwise available to Tenant because of events occurring after the date of attornment, or for events occurring prior to the date of attornment but continuing following the date of attornment and notice to Successor Landlord.
 - b. Construction-Related Obligations. Any Construction-Related Obligation of Former Landlord.
 - c. Prepayments. Any payment of Rent that Tenant may have made to Former Landlord for more than thirty (30) days in advance except as specifically provided in the Lease the current month.
 - d. Payment; Security Deposit. Any obligation: (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant (except in connection with an Offset Right governed by subsection [a] hereinabove); or (b) with respect to any security deposited with Former Landlord, unless such security was actually delivered to Lender or to Successor Landlord.
 - e. Modification, Amendment or Waiver. Any modification or amendment of the Lease, or any waiver of any terms of the Lease, made without Lender's written consent.
 - f. Surrender, Cancellation or Termination. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed between Former Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of the Lease.
 - g. Partial Lease Assignment. Any assignment of one or more provisions of the Lease or the beneficial interest therein not constituting the whole of the Lease.
 - h. Covenants. Any covenants or obligations of or applicable to Former Landlord to the extent they apply to or affect any property other than Landlord's Premises.
5. Lender's Right to Cure.
- 5.1. Notice to Lender. Copies of all notices and other communications given by Tenant to Former Landlord of a breach of or default under the Lease by Former Landlord shall also be simultaneously provided to Lender. Notwithstanding anything to the contrary in the Lease or this Agreement or the Security Instrument, before exercising any Termination Right or Offset Right, Tenant shall provide Lender with notice of the breach or default by

Former Landlord giving rise to same (the "**Default Notice**") and, thereafter, the opportunity to cure such breach or default as provided for below.

- 5.2. Lender's Cure Period. After Lender receives a Default Notice, Lender shall have a period of thirty (30) days following receipt of the Default Notice, or, in the event that such cure cannot be completed within such cure period, Lender shall have such reasonable period of time as is required to diligently prosecute such cure to its completion. Lender shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Former Landlord.
6. Exculpation of Successor Landlord. Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liabilities under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in Landlord's Premises from time to time, including insurance and condemnation proceeds (except to the extent reinvested in the Landlord's Premises), Successor Landlord's interest in the Lease, and the proceeds from any sale or other disposition of Landlord's Premises by Successor Landlord (collectively, "**Successor Landlord's Interest**"). Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease as affected by this Agreement. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord.
7. Miscellaneous.
 - 7.1. Notices. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail, return receipt requested, postage prepaid or by nationally recognized overnight courier service (such as FedEx or UPS) that regularly maintains records of items delivered or attempted to be delivered or attempted to be delivered. All notices to Lender shall be delivered to Lender at the address set forth in the opening paragraph of this Agreement, subject to change by notice under this paragraph. All notices to Tenant shall be delivered to Tenant at the address set forth in the opening paragraph of this Agreement, subject to change by notice under this paragraph. Notices shall be effective on the third (3rd) business day after mailing if sent by U.S. Mail and the next business day if sent by overnight courier service. Notices shall be deemed given if delivery is refused or if the party to whom the notice is addressed is not readily found at the applicable address.
 - 7.2. Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. Upon assignment of the Security Instrument by Lender, all liability of the Lender/assignor shall terminate.
 - 7.3. Entire Agreement. This Agreement constitutes the entire agreement between Lender and Tenant and Landlord regarding the subordination of the Lease to the Security Instrument and the rights and obligations of Tenant, Lender and Landlord as to the subject matter of this Agreement.

- 7.4. Interaction with Lease and with Security Instrument. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of non-disturbance agreements by the holder of the Security Instrument. Lender confirms that Lender has consented to Landlord's entering into the Lease.
- 7.5. Lender's Rights and Obligations.
- a. Except as expressly provided for in this Agreement, Lender shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Lender under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement.
 - b. Neither this Agreement, the Security Instrument or any of the related loan documents, nor the Lease shall, prior to any acquisition of Landlord's Premises by Lender, operate to give rise to or create any responsibility or liability for the control, care, management or repair of the Landlord's Premises upon the Lender, or impose responsibility for the carrying out by Lender of any of the covenants, terms or conditions of the Lease, nor shall said instruments operate to make Lender responsible or liable for any waste committed on the Landlord's Premises by any party whatsoever, or for dangerous or defective conditions of the Landlord's Premises, or for any negligence in the management, upkeep, repair or control of the Landlord's Premises, which may result in loss, injury or death to Tenant, or to any tenant, licensee, invitee, guest, employee, agent or stranger.
 - c. Lender may assign to any person or entity its interest under the Security Instrument and/or the related loan documents, without notice to, the consent of, or assumption of any liability to, any other party hereto. In the event Lender becomes the Successor Landlord, Lender may assign to any other party its interest as the Successor Landlord without the consent of any other party hereto.
- 7.6. Landlord's Rights and Obligations. Nothing herein contained is intended, nor shall it be construed, to abridge or adversely affect any right or remedy of Former Landlord under the Lease, including upon the occurrence of an Event of Default by Tenant under the Lease. This Agreement shall not alter, waive or diminish any of Former Landlord's obligations under the Security Instrument, any of the related loan documents, or the Lease.
- 7.7. Option or Right to Purchase Landlord's Premises or the Loan. Notwithstanding any other provision contained herein, this Agreement does not constitute an agreement by nor a consent of Lender to any provision whatsoever in the Lease allowing or providing for any right or option to Tenant, any affiliate of Tenant or any successor or assignee of Tenant to purchase, in whole or in part, either Landlord's Premises or the Loan or any of the instruments or documents evidencing the Loan or securing payment of the Loan and neither Lender nor any assignee of or successor to Lender shall be bound in any way by any such right or option.

- 7.8. Interpretation; Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the state where the Landlord's Premises are located, excluding its principles of conflict of laws.
- 7.9. Amendments. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the parties hereto.
- 7.10. Due Authorization. Each party represents that it has full authority to enter into this Agreement, which has been duly authorized by all necessary actions.
- 7.11. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
- 7.12. Attorneys' Fees. All costs and attorneys' fees incurred by the prevailing party in the enforcement hereof shall be paid by the non-prevailing party.
- 7.13. Headings. The headings in this Agreement are intended to be for convenience of reference only, and shall not define the scope, extent or intent or otherwise affect the meaning of any portion hereof.
- 7.14. WAIVER OF JURY TRIAL. THE LENDER, THE TENANT AND THE LANDLORD EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AFTER CAREFUL CONSIDERATION AND AN OPPORTUNITY TO SEEK LEGAL ADVICE, WAIVE THEIR RESPECTIVE RIGHTS TO HAVE A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY OF THE PROVISIONS OF THIS AGREEMENT, OR ANY OTHER DOCUMENTS EXECUTED IN CONJUNCTION HERewith, ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT, THE LANDLORD'S PREMISES, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE LANDLORD, TENANT OR LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THIS AGREEMENT.

(REMAINDER OF PAGE LEFT INTENTIONALLY BLANK)

IN WITNESS WHEREOF, this Agreement has been duly executed by Lender, Tenant and Landlord as of the Effective Date.

LENDER:

Computershare Trust Company, National Association as Trustee, as successor-in-interest to Wells Fargo Bank, National Association, as Trustee, on behalf of the registered Holders of CSAIL 2017-CX9 Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2017-CX9

By: _____
Name: _____
Title: _____

STATE OF NEW JERSEY)
) :ss.
COUNTY OF _____)

On the ____ day of _____, 2026, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity on behalf of the entity specified above, and that by his signature on the instrument, the individual executed the instrument on behalf of said entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

184 PROPERTY OWNER, LLC

By: _____
Name: _____
Title: _____

[illegible]

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

(END OF SIGNATURES)

EXHIBIT A

All that certain Lot piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Warren, County of Somerset, State of New Jersey:

BEGINNING AT A POINT ON THE SOUTHERLY SIDELINE OF INDEPENDENCE BOULEVARD WHERE THE SAME IS INTERSECTED BY THE NORTHEASTERLY SIDELINE OF LOT 2 IN BLOCK 101 AND THE NORTHWESTERLY SIDELINE OF LOT 3 IN BLOCK 101 AS SHOWN ON A MAP ENTITLED, "AMENDED PHASE I AND PHASE II - FINAL PLAT, PREPARED FOR SOMERSET HILLS CORPORATE CENTER, SITUATED IN THE TOWNSHIP OF WARREN, SOMERSET COUNTY, NEW JERSEY", DATED MAY 16, 1984 PREPARED BY VAN CLEFF ENGINEERING ASSOCIATES, SAID MAP HAVING BEEN FILED IN THE SOMERSET COUNTY CLERK'S OFFICE ON AUGUST 16, 1985 AS MAP NO. 2252. SAID POINT ALSO BEING 673.57 FEET NORTHEASTERLY ALONG THE NORTHERLY SIDELINE OF INDEPENDENCE BOULEVARD ITS VARIOUS COURSES FROM ITS INTERSECTION WITH THE EASTERLY SIDELINE OF MARTINS VILLE LIBERTY CORNER ROAD, AND FROM SAID POINT; THENCE

1. ALONG THE SOUTHERLY SIDELINE OF INDEPENDENCE BOULEVARD, NORTH 47 DEGREES, 32 MINUTES, 25 SECONDS EAST, A DISTANCE OF 224.91 FEET TO A POINT; THENCE

2. STILL ALONG THE SOUTHERLY SIDELINE OF INDEPENDENCE BOULEVARD ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 150.00 FEET, AN ARC LENGTH OF 73.42 FEET TO A POINT; THENCE

3. SOUTH 78 DEGREES, 46 MINUTES, 48 SECONDS EAST, A DISTANCE OF 420.94 FEET TO A POINT; THENCE

4. NORTH 78 DEGREES, 34 MINUTES, 01 SECONDS EAST, A DISTANCE OF 595.13 FEET TO A POINT; THENCE

5. ALONG THE DEAD RIVER, SOUTH 13 DEGREES, 57 MINUTES, 00 SECONDS EAST, A DISTANCE OF 19.25 FEET TO A POINT; THENCE

6. STILL ALONG THE DEAD RIVER, SOUTH 06 DEGREES, 00 MINUTES, 00 SECONDS EAST, A DISTANCE OF 145.00 FEET TO A POINT; THENCE

7. STILL ALONG THE DEAD RIVER, SOUTH 02 DEGREES, 47 MINUTES, 00 SECONDS WEST, A DISTANCE OF 120.00 FEET TO A POINT; THENCE

8. STILL ALONG THE DEAD RIVER, SOUTH 10 DEGREES, 57 MINUTES, 00 SECONDS WEST, A DISTANCE OF 150.11 FEET TO A POINT; THENCE

9. SOUTH 84 DEGREES, 21 MINUTES, 46 SECONDS WEST, A DISTANCE OF 941.47 FEET TO A POINT; THENCE

10. NORTH 42 DEGREES, 27 MINUTES, 35 SECONDS WEST, A DISTANCE OF 371.55 FEET TO A POINT AND PLACE OF BEGINNING.

TOGETHER WITH THE BENEFITS OF THE PRIVATE ROADWAY EASEMENT AS SET

FORTH ON FILED MAP No. 2252.

**FOR INFORMATION ONLY, AS TAX LOT 2.02, BLOCK 2 ON THE TAX MAP OF THE
TOWNSHIP OF WARREN (FORMERLY KNOWN AS TAX LOT 3, BLOCK 101).**

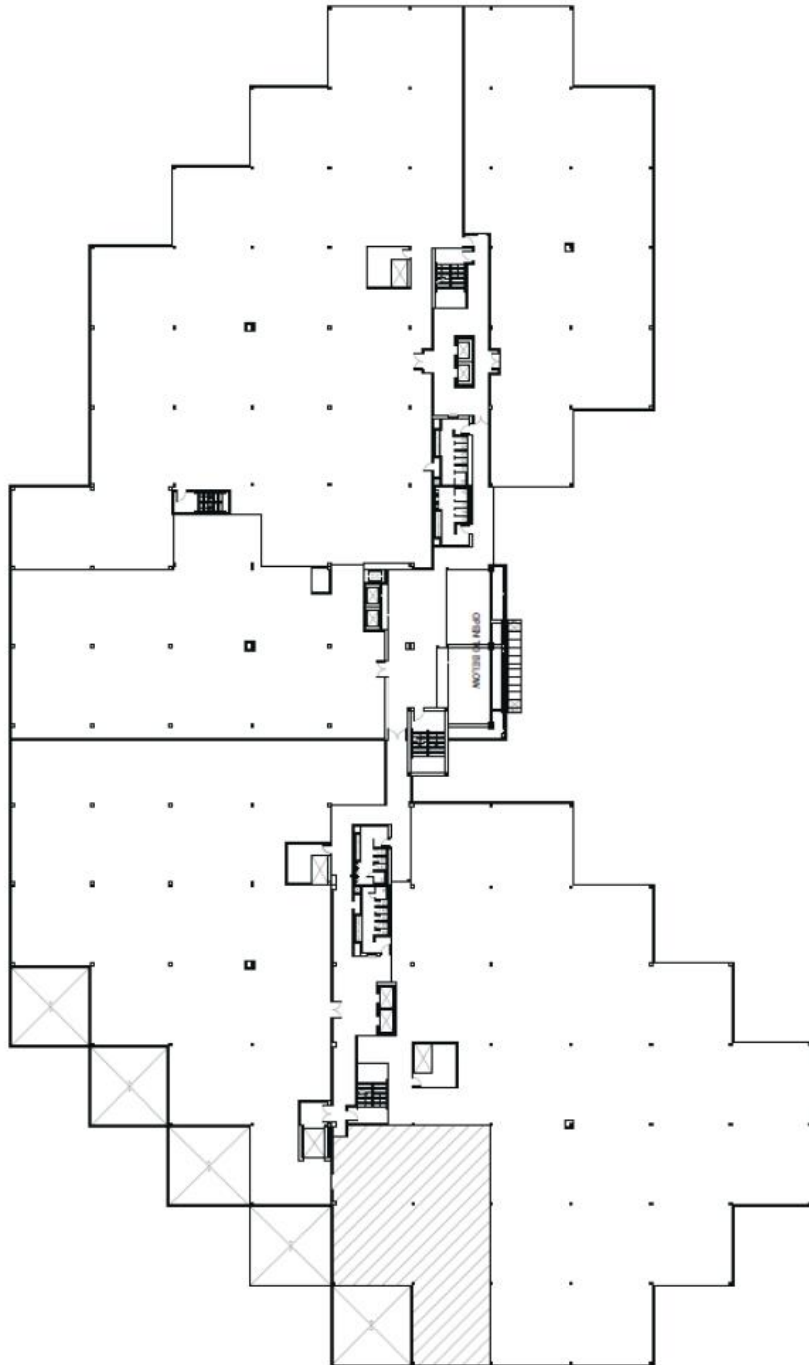
SCHEDULE J

FLOOR PLAN OF EXPANSION SPACE

MIAMI 5386073.1 81417/45458

SCHEDULE J-1

124054739.9



properties at risk of permanent coastal flooding. In addition, precipitation intensity in New Jersey is increasing at levels significantly above historic trends, placing inland properties at greater risk of flash flooding. These and other coastal and inland flood risks are expected to increase within the life of a typical mortgage originated in or after 2020. To learn more about these impacts, including the flood risk to your property, visit flooddisclosure.nj.gov. To learn more about how to prepare for a flood emergency, visit nj.gov/njoem/plan-prepare/floods.

FLOOD INSURANCE: Flood insurance may be available to renters through FEMA's National Flood Insurance Program to cover your personal property and contents in the event of a flood. A standard renter's insurance policy does not typically cover flood damage. You are encouraged to examine your policy to determine whether you are covered.

APPENDIX I

DEFINITIONS

As used in this Lease, the following terms have the following meanings:

Actual Knowledge: means the actual (as opposed to implied or constructive) knowledge of Matthew Lavell and shall not be construed, by imputation or otherwise, to impose any duty to investigate the matter as to which such actual knowledge or absence thereof pertains. Matthew Lavell shall not have personal liability hereunder.

Additional Rent: defined in Section 3.2.

Allowance: defined in *Schedule D*.

Annual Expense Reconciliation: defined in Section 5.4.

Applicable Holdover Percentage: defined in Section 24.3.

Bankruptcy Code: Title 11 of the United States Code, as amended, and all rules and regulations promulgated pursuant thereto.

Base CAM Expenses: Landlord's CAM Expenses for the Base Period.

Base Insurance Expenses: Insurance Expenses for the Base Period.

Base Operating Expenses: Landlord's Operating Expenses for the Base Period, which shall equal the Base CAM Expenses plus the Base Insurance Expenses.

Base Period: defined in the Basic Lease Provisions.

Base Taxes: those Taxes levied, assessed or imposed upon the Property for the Base Period.

Basic Rent: defined in the Basic Lease Provisions.

Basic Rent Commencement Date: defined in the Basic Lease Provisions.

Basic Rent Payment Date: the first day of each consecutive calendar month during the Term.

Brokers: defined in the Basic Lease Provisions

Building: defined in the Basic Lease Provisions.

Building Communications: defined in Article 26.

TABLE OF CONTENTS

(continued)

Page

Building Holidays: Saturday after 1:00 PM, Sunday, New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day.

Building Hours: 8:00 AM to 6:00 PM, Monday through Friday, and 9:00 AM to 1:00 PM on Saturdays, except for Building Holidays.

Building Services: defined in Section 9.1.

Business Day: means any day other than a Saturday, Sunday or those days observed as legal holidays by the U.S. federal government.

Commencement Date: defined in the Basic Lease Provisions.

Commission: defined in Article 25.

Commission Agreement: defined in Article 25.

Common Areas: those areas of the Property, wherever located, which have been designated and improved from time to time for the common use by or for the benefit of more than one occupant of the Property or which are used in connection with the maintenance or operation of the Property, including, without limitation, all parking areas, roadways, curbs, sidewalks, medians, landscaped areas and planters; all porch and lobby areas; corridors; hallways; passageways; public restrooms; security stations; storage, equipment, machine, meter, mechanical, plumbing, computer, telephone and electrical rooms, stations, conduit, shafts, raceways and the like; common lounges, kitchen areas, conference and meeting rooms (including furniture, fixtures and equipment appurtenant thereto); stairs, ramps, elevators, truck serviceways; loading areas; trash disposal facilities; cafeteria and fitness center; and with respect to all the foregoing, all equipment and appurtenances thereto; but excluding all portions of the Property which are designated and intended for the use by a single occupant of the Property. The definition of Common Areas shall not be construed as a representation or warranty that any such areas are or from time to time will be available at the Property.

Controllable CAM Expenses: means only the following costs and expenses: (i) costs and expenses incurred under a service contract for regular and routine window washing services, (ii) costs and expenses incurred under a service contract for regular and routine servicing of heating, ventilating and air conditioning equipment, (iii) costs and expenses incurred under a service contract for regular and routine grounds maintenance, except that snow removal costs are not considered Controllable Operating Expenses, (iv) costs and expenses incurred under a service contract for regular and routine life safety system servicing and maintenance, (v) costs and expenses incurred pursuant to a service contract for regular and routine pest control services, (vi) costs and expenses incurred pursuant to a service contract for routine security services, and (vii) wages and salaries of administrative personnel. For the avoidance of doubt, each of the following are not included in Controllable Operating Expenses: (a) costs and expenses for maintenance or

TABLE OF CONTENTS
(continued)

Page

other services the need for which could not reasonably have been foreseen, (b) the amortization of costs of capital improvements permitted to be included in Landlord's Operating Expenses, and (c) cost increases associated with union labor, it being understood that if union labor is utilized in the future in lieu of non-union labor, increases in costs associated with the union labor shall not be Controllable Operating Expenses.

Costs: defined in *Schedule D*.

Early Termination Date: defined in Section 34.1.

Early Termination Notice Deadline: defined in Section 34.1.

Emergency: defined in Section 19.1.

Environmental Laws: all current and future statutes, regulations, codes and ordinances of any governmental entity, authority, agency and/or department relating to (i) air emissions, (ii) water discharges, (iii) noise emissions, (iv) air, water or ground pollution or (v) any other environmental or health matter.

Event of Default: defined in Section 19.1.

Environmental Report: means that certain Phase I Environmental Site Assessment Report dated September 6, 2011, prepared by American Survey and Mapping, Inc. d/b/a Fidelity Due Diligence Services and bearing ASM/FDDS File No. 11-0054.

Equipment Conduits: defined in Section 36.1.

Excusable Delay: any delay caused by governmental action, or lack thereof; shortages or unavailability of materials, without reasonable substitutes; labor disputes (including, but not limited to, strikes, slow downs, job actions, picketing and/or secondary boycotts); fire, explosion or other casualty; delays in transportation; delays due to adverse weather conditions; acts of God; directives or requests by any governmental entity, authority, agency or department; any court or administrative orders or regulations; adjustments of insurance; acts of declared or undeclared war, warlike conditions in this country, acts of terrorism, public disorder, riot or civil commotion; or by anything else beyond the reasonable control of Landlord, including delays caused directly or indirectly by an act or a failure to act by Tenant or Tenant's Visitors.

Expansion Space: defined in Section 32.1(a).

Expansion Space Amendment: defined in Section 32.1(a).

Expansion Space Basic Rent Commencement Date: defined in Section 32.1(b).

Expansion Space Commencement Date: defined in Section 32.1(a).

TABLE OF CONTENTS
(continued)

Page

<u>Extra Hours</u> : defined in Section 9.1.	
<u>Extra Hours Charge</u> : defined in Section 9.1.	
<u>Extension Period</u> : defined in Section 31.1.	
<u>Fair Market Rental Value</u> : defined in Section 31.2.	
<u>Finish Work</u> : defined in <i>Schedule D</i> .	
<u>First Extension Period</u> : defined in Section 31.1.	
<u>Flood Risk Notice</u> : defined in Section 29.11.	
<u>Generator</u> : defined in Section 35.1.	
<u>Generator Conduits</u> : defined in Section 35.1.	
<u>Generator Equipment</u> : defined in Section 35.1.	
<u>Generator Location Area</u> : defined in Section 35.1.	
<u>Increase Limitation</u> : defined in Section 5.9.	
<u>Insurance Expenses</u> : mean the cost of premiums and other charges for fire, other casualty, rent and liability insurance covering the Property and any other insurance covering the Property and the Building.	
<u>Insurance Requirements</u> : all terms of any insurance policy maintained by Landlord with respect to the Property and all requirements of the National Board of Fire Underwriters (or any other body exercising similar function) applicable to or affecting all or any part of the Property.	
<u>ISRA</u> : Industrial Site Recovery Act of the State of New Jersey, N.J.S.A. 13:1 K-6 <u>et seq.</u> and the regulations promulgated thereunder, together with any amendments thereto and/or substitutions thereof.	
<u>Janitorial Services</u> : defined in Section 9.7(a).	
<u>Laboratory Equipment</u> : defined in Section 36.1.	
<u>Land</u> : defined in the Basic Lease Provisions.	
<u>Landlord</u> : the party defined as such in the first paragraph of this Lease, including at any time after the date hereof, the then owner of Landlord's interest in the Property.	

TABLE OF CONTENTS
(continued)

Page

Landlord's CAM Expenses. the total costs incurred by Landlord for operating, maintaining, repairing and managing the Property and all improvements, fixtures and equipment from time to time constituting the Building, Common Areas, and the Property and all appurtenances thereto. Excluding debt service, the cost incurred by Landlord in operating and maintaining the Building and the Property include, but are not limited to: (i) commercially reasonable management fees, or if the managing agent is affiliated with Landlord, the fees that would customarily be charged by an independent first class managing agent; (ii) the costs of operating (other than the cost of gas and electricity consumed thereby), cleaning, maintaining, repairing, restoring and replacing (except to the extent proceeds of insurance or condemnation awards are available therefor), or otherwise providing the following: air cooling, heat and ventilating equipment and systems (including any energy management and building management systems); elevator systems and equipment; all parking areas, roadways, curbs, sidewalks, medians, planters (including repairs and resurfacing thereof); utility supply systems, drainage and sanitary sewerage systems, water supply lines, wells, emergency generators, fire sprinkler and fire suppression systems, security and alarm systems and services (including maintenance, repairs and replacements thereof); maintenance and repair of vehicles and other tools and equipment (used exclusively at the Property); laundry and towel service; Property identification signs, public address systems; the roof, walls, windows, doors, ceilings and floors of the Building; sweeping, cleaning, snow removal (including, but not limited to, snow removal from the roof of the Building and the roof of any other building on the Property) and line painting of all parking areas and roadways; landscaping services (including replacement of trees, shrubs, and other plantings); Janitorial Services and window cleaning; supplies; removal of garbage and other refuse; painting, redecorating or other work which is standard for or periodically performed in the Building; providing on and off site traffic direction and parking control; the cost of repair of any casualty to the extent not covered by insurance; total compensation and benefits (including premiums for workmen's compensation and other insurance and taxes, including social security taxes and payroll taxes, which may be levied against Landlord in respect of such compensation and benefits) paid to or on behalf of personnel employed at the Property; licenses, permit and inspection fees; parking area surcharges or levies; and rent paid for the leasing of any equipment used in the operation, maintenance and repair contemplated herein; any taxes now or hereafter imposed upon Landlord with respect to operating expenses as contemplated herein; accounting and legal fees; any sales, use or service taxes incurred in connection with the operation of the Property; seasonal decorations and promotional events for the Building or the Property; the net amount incurred by Landlord in connection with the operating or maintaining of any specialty use or service such as a gym or cafeteria; any costs, expenses or other amounts incurred under any easement, reciprocal easement agreement, declaration of covenants or other similar encumbrance; (iii) all utility and energy costs, including any fuel surcharges or adjustments with respect thereto, incurred for water, sewer, or other utilities (other than the cost of the gas and electricity to operate the air cooling, heat and ventilation systems and any other systems of the Building and the cost of the gas and electricity consumed in the Common Areas) for the Building and Property (not separately billed to a tenant at the Property), and (iv) capital improvements amortized over the useful life of the such improvement (but, in each Lease Year there shall be included only the amortized portion of such capital improvements). The above definition of Landlord's CAM Expenses shall not be construed

TABLE OF CONTENTS
(continued)

Page

as a representation or warranty that items of equipment, facilities or services listed therein are or from time to time will be in existence or available at the Property. Landlord's CAM Expenses shall not include: (a) brokerage fees and/or commissions, advertising expenses and expenses for leasing and renovating space for tenants; (b) gas and electricity charges paid or reimbursed to Landlord by any tenant of the Building, including charges attributable to Extra Hours heat, ventilation or air-cooling for Tenant or other tenants of the Building; (c) compensation and benefits payable to employees not directly attributable to the Property; (d) capital expenses attributable to tenant fit-up expenses or for painting, redecorating or other work which Landlord, at its sole expense is required to perform exclusively for Tenant or for any other tenant in leased areas of the Building; (e) off-site improvements unrelated to operation of the Property; (f) capital expenses attributable to the expansion of Building and the Property; (g) any capital improvements that are not amortized over the useful life of the improvement; (h) expenses for repairs or other work occasioned by fire, windstorm or other insured casualty; (i) legal expenses in negotiating and enforcing the terms of any tenant lease; (j) interest and amortization payments on any mortgage or mortgages, and rental under any ground or underlying lease or leases; (k) expenses for restoration of the Building required as a result of a condemnation; (l) the cost of special services separately paid by particular tenants in the Building, and (n) the cost of insurance to the extent included in Insurance Expenses; (o) environmental clean-up expenses incurred by Landlord; (p) legal fees, appraisal fees, brokerage commissions, origination fees, points, mortgage recording taxes, title charges and other costs or fees incurred in connection with any financing or refinancing; (q) all costs incurred in connection with a sale or transfer of all or any portion of the Property or any interest herein or in any person owning an interest therein; (r) any fines, interest or penalty charges incurred by Landlord due to the failure to pay obligations of Landlord or the violation of any governmental rule or regulation; and (s) charitable or political contributions. In determining Landlord's CAM Expenses, including Base CAM Expenses, for any Lease Year during which less than ninety-five percent (95%) of the rentable square feet of the Building was occupied by tenants for more than sixty (60) days during such Lease Year, the actual CAM Expenses for such Lease Year shall be increased on the basis of variable (but not fixed) CAM Expenses, to the amount which normally would have been incurred for such Lease Year had such occupancy of the Building been ninety-five percent (95%) throughout such Lease Year.

Landlord's Estimated Operating Expenses: defined in Section 5.2.

Landlord's Expense Statement: defined in Section 5.2.

Landlord's Final Tax Statement: defined in Section 4.4.

Landlord's Offer Space Notice: defined in Section 33.1(a).

Landlord's Operating Expenses: defined in Section 5.1(a).

Landlord's Tax Statement: defined in Section 4.2.

Lease Year: each calendar year, or partial calendar year, during the Term.

TABLE OF CONTENTS
(continued)

Page

Legal Requirements: all statutes, codes, ordinances, regulations, rules, orders, directives and requirements of any governmental entity, authority, agency, bureau, board, office, commission and/or department (or official thereof), and including covenants and restrictions of record, which now or at any time hereafter may be applicable to the Property or any part thereof, including, but not limited to, all Environmental Laws.

Lender: the holder of any mortgage or deed of trust which may now or hereafter encumber the Property.

License: defined in Section 8.4(a).

Lien: any mortgage, pledge, lien, charge, encumbrance or security interest of any kind, including any inchoate construction, mechanic's or materialmen's lien.

Major Work: defined in Section 7.4(b).

Master Landlord: the landlord under any ground lease or lease of all or any portion of the Property, subject to the space leases, which may now or hereafter affect all or any portion of the Property.

Minimum Electric Energy Charge: defined in the Basic Lease Provisions.

Monthly Expense Payment: defined in Section 5.3.

Monthly Tax Payment: defined in Section 4.3.

Monument Signs: defined in Section 9.6(b).

NAICS: defined in Section 11.9.

Net Award: any insurance proceeds or condemnation award payable in connection with any damage, destruction or Taking, less any actual and reasonable third party expenses incurred by Landlord in recovering such amount.

Net Rental Proceeds: in the case of a sublease, the amount by which the aggregate of all rents, additional charges or other consideration payable under a sublease to Tenant by the subtenant (including sums paid for the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal property) exceeds the sum of (i) the Basic Rent plus all amounts payable by Tenant pursuant to the provisions hereof during the term of the sublease in respect of the subleased space, (ii) actual brokerage commissions, providing same are at prevailing rates, due and owing to a real estate brokerage firm, (iii) reasonable legal fees incurred by Tenant in connection with the sublease, (iv) free rent granted to the subtenant, (v) cost of work incurred by Tenant in preparing the premises for the sublease and (vi) the then net unamortized or undepreciated cost of the fixtures, leasehold improvements, equipment, furniture or other personal property included in the subletting; and in the case of an assignment, the amount by which all sums

TABLE OF CONTENTS
(continued)

Page

and other considerations paid to Tenant by the assignee of this Lease for or by reason of such assignment (including sums paid for the sale of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal property) exceeds the sum of (i) actual brokerage commissions, provided same are at prevailing rates due and owing to a real estate brokerage firm, and, (ii) the then net unamortized or undepreciated cost of the fixtures, leasehold improvements, equipment, furniture or other personal property sold to the assignee.

NJDEP: defined in Section 11.5(b).

Non-Disturbance Agreement: defined in Section 23.1(b).

Objection Notice: defined in ***Schedule D***.

Occupancy Date: defined in Section 2.3.

OFAC: defined in Article 30.

Offer Space Commencement Date: defined in Section 33.1(a).

Offer Space Lease: defined in Section 33.1(e).

Order or Orders: defined in Article 30.

Permitted Use: defined in the Basic Lease Provisions.

Preliminary Plans: defined in ***Schedule D***.

Premises: defined in the Basic Lease Provisions.

Prime Rate: the prime commercial lending rate publicly announced from time to time by Citibank N.A. or its successor bank.

Projected Taxes: defined in Section 4.2.

Property: the Land, the Building, all other buildings on the Land, and all other buildings or improvements hereafter constructed on the Land from time to time.

Recapture Notice: defined in Section 16.5(a).

Recapture Space: defined in Section 16.5(a).

Remaining Allowance: defined in ***Schedule D***.

Remaining Soft Cost Allowance: defined in ***Schedule D***.

TABLE OF CONTENTS
(continued)

Page

Restoration: the restoration, replacement or rebuilding of the Building (excluding any alterations, additions and improvements installed by Tenant and any trade fixtures and personal property owned by Tenant) or any portion thereof as nearly as practicable to its value, condition and character immediately prior to any damage, destruction or Taking.

Roof Top Equipment: defined in Section 36.1.

Second Extension Period: defined in Section 31.1.

Secure Areas: defined in Section 21.1(b).

Security: defined in the Basic Lease Provisions.

Soft Costs: defined in *Schedule D*.

Soft Cost Allowance: defined in *Schedule D*.

Special Cleaning Services: defined in Section 9.7(b).

Taking: a taking of all or any part of the Property, or any interest therein or right accruing thereto, as the result of, or in lieu of, or in anticipation of, the exercise of the right of condemnation or eminent domain pursuant to any law, general or special, or by reason of the temporary requisition of the use or occupancy of the Property or any part thereof, by any governmental authority, civil or military.

Taxes: with respect to each governmental authority levying or imposing the same, all taxes and assessments (general, special, betterment, ordinary or extraordinary, foreseen and unforeseen) levied, charged, assessed, imposed upon or which become due and payable out of or in respect of and become a lien on the Land and all improvements constructed on the Land from time to time, including, without limitation, charges imposed in respect of the ownership, operation, management, use, leasing or alteration of the Property and/or Premises, or any portion thereof; the various estates in and to the Property and/or Premises, or any portion thereof; the Basic Rent and Additional Rent payable to Landlord pursuant to this Lease; all water and sewer rents and charges; and all franchise, income, profit or other taxes, fees and charges, however designated, which, due to a future change in the method of taxation, may be levied or imposed on Landlord in substitution in whole or in part for, or in lieu of, or in addition to, any tax which would otherwise constitute Taxes, as heretofore defined. Nothing contained in this Lease shall require Tenant to pay any estate, inheritance, gift, succession, corporate franchise or income tax of Landlord, nor shall any of same be deemed Taxes, except as provided in the immediately preceding sentence.

Tenant: the party defined as such in the first paragraph of this Lease.

Tenant Affiliate: defined in Section 16.7.

Tenant's Expansion Space Notice: defined in Section 32.1(a).

TABLE OF CONTENTS
(continued)

Page

Tenant Improvement: defined in Section 7.5(a).

Tenant's Notice: defined in Section 16.2.

Tenant's Offer Space Notice: defined in Section 33.1(d).

Tenant's Proportionate Share: defined in Basic Lease Provisions.

Tenant's Roof Top Equipment Area: defined in Section 36.1.

Tenant Successor: defined in Section 16.7.

Tenant's Visitors: Tenant's agents, servants, employees, subtenants, contractors, invitees, licensees and all other persons invited by Tenant onto the Property and/or into the Premises as guests or doing lawful business with Tenant.

Term: defined in Basic Lease Provisions.

Termination Date: defined in Basic Lease Provisions.

Termination Payment: defined in Section 34.2(c).

Termination Payment Notice: defined in Section 34.2(a).

Underlying Encumbrance: defined in Section 23.1.

Working Plans: defined in ***Schedule D***.

**Certification of Principal Executive Officer of Aquestive Therapeutics, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Daniel Barber, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aquestive 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 consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, consolidated results of operations and consolidated 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 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: August 11, 2026

/s/ Daniel Barber
Daniel Barber
President and Chief Executive Officer
(Principal Executive Officer)

**Certification of Principal Financial and Accounting Officer of Aquestive Therapeutics, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, A. Ernest Toth, Jr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aquestive 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 consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, consolidated results of operations and consolidated 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 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: August 11, 2026

/s/ A. ERNEST TOTH, JR.

A. Ernest Toth, Jr.
Chief Financial Officer
(Principal Financial Officer)

**Certification of Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), I, Daniel Barber, President and Chief Executive Officer of Aquestive Therapeutics, Inc. (the “Company”), hereby certify that, to the best of my knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period-ended June 30, 2026, to which this Certification is attached as Exhibit 32.1 (the “Quarterly Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Quarterly Report and the results of operations of the Company for the period covered by the Quarterly Report.

Date: August 11, 2026

/s/ Daniel Barber

Daniel Barber

*President and Chief Executive Officer
(Principal Executive Officer)*

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Aquestive Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Quarterly Report), irrespective of any general incorporation language contained in such filing.

**Certification of Principal Financial and Accounting Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), I, A. Ernest Toth, Jr., Chief Financial Officer of Aquestive Therapeutics, Inc. (the "Company"), hereby certify that, to the best of my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period-ended June 30, 2026, to which this Certification is attached as Exhibit 32.2 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Quarterly Report and the results of operations of the Company for the period covered by the Quarterly Report.

Date: August 11, 2026

/s/ A. ERNEST TOTH, JR.

A. Ernest Toth, Jr.

Chief Financial Officer

(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Aquestive Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Quarterly Report), irrespective of any general incorporation language contained in such filing.