UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022

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: 001-39273

Lyra Therapeutics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**84-1700838**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
480 Arsenal Way Watertown, MA	**02472**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (617) 393-4600

N/A

(Former name, former address and former fiscal year, if changed since last report)

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, $0.001 par value per share	LYRA	The Nasdaq Global Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232. 405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

As of August 1, 2022, the registrant had 31,826,357 shares of common stock, $0.001 par value per share, outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements, including but not limited to statements regarding:

- our plans to develop and commercialize our product candidates;
- the timing of our ongoing or planned clinical trials for LYR-210, LYR-220, and any future product candidates;
- the timing of and our ability to obtain and maintain regulatory approvals for LYR-210, LYR-220, and any future product candidates;
- the clinical utility of our product candidates;
- our commercialization, marketing, and manufacturing capabilities and strategy;
- our expectations about the willingness of healthcare professionals to use LYR-210, LYR-220, and any future product candidates;
- our expectations regarding the development and commercialization of LYR-210 pursuant to the terms of the LianBio License Agreement (as defined below);
- our intellectual property position;
- our competitive position and developments and projections relating to our competitors or our industry;
- our ability to identify, recruit, and retain key personnel;
- the impact of laws and regulations;
- risks associated with the evolving COVID-19 pandemic, which may adversely impact our business and clinical trials;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act, or the JOBS Act;
- our plans to identify additional product candidates with significant commercial potential that are consistent with our commercial objectives;
- our estimates and statements regarding our future revenue, future results of operations, and financial position;
- our business strategy;
- our research and development costs; and
- the plans and objectives of management for future operations.

These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “would” or “continue” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions and are based largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of known and unknown risks, uncertainties, and assumptions, including those described under the sections in this Quarterly Report on Form 10-Q entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report on Form 10-Q. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances, or otherwise.

Unless the context requires otherwise, we use the terms “Lyra,” “the Company,” “we,” “us,” “our” and similar designations in this Quarterly Report on Form 10-Q to refer to Lyra Therapeutics, Inc. and its wholly owned subsidiary, Lyra Therapeutics Securities Corporation.

SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in Part II, Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q. You should carefully consider these risks and uncertainties when investing in our common stock. The principal risks and uncertainties affecting our business include the following:

- we have a limited operating history and a history of escalating operating losses, which may make it difficult to evaluate the prospects for our future viability;
- we have incurred significant losses since inception and expect to incur significant additional losses for the foreseeable future. We may never achieve profitability;
- we will need significant additional funding in order to complete development of and obtain regulatory approval for our product candidates and commercialize our products, if approved. If we are unable to raise capital when needed, we could be forced to delay, reduce, or eliminate our product development programs or commercialization efforts;
- our business is highly dependent on the success of our most advanced product candidate, LYR-210, which will require significant additional clinical testing before we can seek regulatory approval and potentially launch commercial sales. If LYR-210 does not receive regulatory approval or is not successfully commercialized, or is significantly delayed in doing so, our business will be harmed;
- managing our obligations under our license and other strategic agreements may divert management time and attention, causing delays or disruptions to our business;
- our operating activities may be restricted by certain covenants in our license and strategic agreements, which could limit our development and commercial opportunities;
- failure to obtain marketing approval in international jurisdictions would prevent our products from being marketed in such jurisdictions;
- we have entered into a collaboration, and may enter into collaborations, that place the development and commercialization of our product candidates outside our control, require us to relinquish important rights or may otherwise be on terms unfavorable to us, and if our collaborations are not successful, our product candidates may not reach their full market potential;
- clinical trials required for our product candidates are expensive and time-consuming, their outcome is uncertain, and if our clinical trials do not meet safety or efficacy endpoints in these evaluations, or if we experience significant delays in these trials, our ability to commercialize our product candidates and our financial position will be impaired;
- developments by competitors may render our products or technologies obsolete or non-competitive or may reduce the size of our markets;
- the successful commercialization of our product candidates will depend in part on the extent to which governmental authorities and health insurers establish coverage, adequate reimbursement levels and pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue;
- even if either LYR-210 or LYR-220 receives marketing approval, it may fail to achieve market acceptance by physicians, patients, third-party payors or others in the medical community necessary for commercial success;
- we will rely on third parties for the manufacture of materials for our research programs, pre-clinical studies and clinical trials and we do not have long-term contracts with any of these parties. This reliance on third parties increases the risk that we will not have sufficient quantities of such materials, product candidates, or any therapies that we may develop and commercialize, or that such supply will not be available to us at an acceptable cost, which could delay, prevent, or impair our development or commercialization efforts;
- we rely on third parties to conduct our pre-clinical studies and clinical trials. Any failure by a third party to conduct the clinical trials according to GCPs and in a timely manner may delay or prevent our ability to seek or obtain regulatory approval for or commercialize our product candidates;

- if we are unable to obtain, maintain, or adequately protect our intellectual property rights, we may not be able to compete effectively in our markets;
- if we lose key management or scientific personnel, cannot recruit qualified employees, directors, officers, or other significant personnel, or experience increases in our compensation costs, our business may materially suffer; and
- the global pandemic caused by COVID-19 has disrupted and may continue to adversely impact our business and operations, including our clinical trials.

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Item 1. Financial Statements.

LYRA THERAPEUTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except share and per share data)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 120,669	$ 45,747
Restricted cash	329	—
Prepaid expenses and other current assets	1,383	2,171
Total current assets	122,381	47,918
Property and equipment, net	4,009	4,503
Operating lease right-of-use assets	860	1,355
Restricted cash	1,089	329
Other assets	1,696	762
Total assets	$ 130,035	$ 54,867
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,670	$ 3,125
Accrued expenses and other current liabilities	5,465	4,258
Operating lease liabilities	926	1,074
Deferred revenue	1,811	9,789
Total current liabilities	9,872	18,246
Operating lease liabilities, net of current portion	3	379
Deferred revenue, net of current portion	9,130	1,926
Total liabilities	19,005	20,551
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.001 par value, 10,000,000 shares authorized at June 30, 2022 and December 31, 2021; no shares issued and outstanding at June 30, 2022 and December 31, 2021	—	—
Common stock, $0.001 par value; 200,000,000 shares authorized at June 30, 2022 and December 31, 2021; 31,826,357 and 13,007,178 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	32	13
Additional paid-in capital	325,891	227,700
Accumulated deficit	(214,893)	(193,397)
Total stockholders' equity	111,030	34,316
Total liabilities and stockholders' equity	$ 130,035	$ 54,867

See accompanying notes to unaudited condensed consolidated financial statements.

LYRA THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Collaboration revenue	$ 407	$ —	$ 5,774	$ —
Operating expenses:				
Research and development	10,793	7,505	19,298	12,275
General and administrative	4,132	3,560	8,020	6,621
Total operating expenses	14,925	11,065	27,318	18,896
Loss from operations	(14,518)	(11,065)	(21,544)	(18,896)
Other income:				
Interest income	34	26	48	55
Total other income	34	26	48	55
Net loss	$ (14,484)	$ (11,039)	$ (21,496)	$ (18,841)
Comprehensive loss	$ (14,484)	$ (11,039)	$ (21,496)	$ (18,841)
Net loss per share attributable to common stockholders—basic and diluted	$ (0.43)	$ (0.85)	$ (0.91)	$ (1.45)
Weighted-average common shares outstanding—basic and diluted	33,946,428	12,991,837	23,535,442	12,968,820

See accompanying notes to unaudited condensed consolidated financial statements.

LYRA THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance at December 31, 2020	12,932,377	$ 13	$ 224,363	$ (149,884)	$ 74,492
Exercise of common stock options	30,391	—	262	—	262
Stock-based compensation	—	—	599	—	599
Net loss	—	—	—	(7,802)	(7,802)
Balance at March 31, 2021	12,962,768	13	225,224	(157,686)	67,551
Exercise of common stock options	38,337	—	331	—	331
Stock-based compensation	—	—	656	—	656
Net loss	—	—	—	(11,039)	(11,039)
Balance at June 30, 2021	13,001,105	$ 13	$ 226,211	$ (168,725)	$ 57,499

	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance at December 31, 2021	13,007,178	$ 13	$ 227,700	$ (193,397)	$ 34,316
Exercise of common stock options	2,718	—	8	—	8
Stock-based compensation	—	—	844	—	844
Net loss	—	—	—	(7,012)	(7,012)
Balance at March 31, 2022	13,009,896	13	228,552	(200,409)	28,156
Issuance of common stock and pre-funded warrants, net of issuance costs of $4,244	18,815,159	19	96,232	—	96,251
Issuance of common stock upon RSU vesting	1,302	—	—	—	—
Stock-based compensation	—	—	1,107	—	1,107
Net loss	—	—	—	(14,484)	(14,484)
Balance at June 30, 2022	31,826,357	$ 32	$ 325,891	$ (214,893)	$ 111,030

See accompanying notes to unaudited condensed consolidated financial statements.

LYRA THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	$ (21,496)	$ (18,841)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	1,951	1,255
Depreciation expense	566	373
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	788	297
Operating lease right-of-use assets	495	467
Other assets	(949)	—
Accounts payable	(1,639)	743
Accrued expenses and other current liabilities	1,207	(22)
Operating lease liabilities	(524)	(481)
Deferred revenue	(774)	12,000
Net cash used in operating activities	(20,375)	(4,209)
Cash flows from investing activities:		
Purchases of property and equipment	(107)	(1,785)
Net cash used in investing activities	(107)	(1,785)
Cash flows from financing activities:		
Proceeds from sale of common stock and pre-funded warrants	100,495	—
Payment of deferred offering expenses	(4,010)	(146)
Proceeds from exercise of stock options	8	593
Net cash provided by financing activities	96,493	447
Net increase (decrease) in cash, cash equivalents and restricted cash	76,011	(5,547)
Cash, cash equivalents and restricted cash, beginning of period	46,076	74,922
Cash, cash equivalents and restricted cash, end of period	$ 122,087	$ 69,375
Supplemental disclosure of non-cash financing and investing activities:		
Property and equipment purchases included in accounts payable	$ 6	$ 363
Deferred offering costs included in accounts payable and accrued expense	$ 236	$ 97

See accompanying notes to unaudited condensed consolidated financial statements.

1. Organization and Basis of Presentation

Lyra Therapeutics, Inc. (the "Company") is a clinical-stage therapeutics company focused on the development and commercialization of novel integrated drug and delivery solutions for the localized treatment of patients with ear, nose and throat ("ENT") diseases. The Company's proprietary technology platform, XTreo, is designed to precisely and consistently deliver medicines directly to the affected tissue for sustained periods with a single administration. The Company's initial product candidates, LYR-210 and LYR-220, are bioresorbable polymeric matrices designed to be administered in a brief, non-invasive, in-office procedure and intended to deliver up to six months of continuous drug therapy to the sinonasal passages for the treatment of chronic rhinosinusitis ("CRS"). The Company was incorporated as a Delaware corporation on November 21, 2005 and is located in Watertown, Massachusetts.

The Company is subject to risks common to companies in the therapeutics and pharmaceutical industry, including but not limited to, risks of failure of preclinical studies and clinical trials, the need to obtain marketing approval for any drug product candidate that it may identify and develop, the need to successfully commercialize and gain market acceptance of its product candidates, dependence on key personnel, protection of proprietary technology, compliance with government regulations, development by competitors of technological innovations, reliance on third party manufacturers, ability to transition from pilot-scale manufacturing to large-scale production of products and the need to obtain adequate additional financing to fund the development of its product candidates.

From inception through June 30, 2022, the Company has raised an aggregate of $345.4 million to fund its operations, of which $162.1 million were gross proceeds from sales of its redeemable convertible preferred stock, $96.3 million were net proceeds from its April 2022 Financing (as defined below) (see Note 6); $57.3 million were net proceeds from its initial public offering, $16.8 million were gross proceeds from government contracts and $12.0 million were gross proceeds from its license and collaboration agreement. The Company has incurred recurring net losses since inception and had net losses of approximately $21.5 million and $18.8 million for the six months ended June 30, 2022 and 2021, respectively. In addition, the Company has an accumulated deficit of approximately $214.9 million at June 30, 2022. The Company expects to continue to generate operating losses for the foreseeable future. At June 30, 2022, the Company had approximately $120.7 million of cash and cash equivalents.

The Company believes that its cash and cash equivalents as of June 30, 2022 will be sufficient to fund the Company's operating plan for a period of at least one year from the issuance date of the condensed consolidated financial statements. The Company will need additional financing to support its continuing operations and pursue its growth strategy. Until such time as the Company can generate significant revenue from product sales, if ever, it expects to finance its operations through a combination of equity or debt financings, collaboration agreements, strategic alliances and licensing arrangements. The Company may be unable to raise additional funds or enter into such other agreements when needed on favorable terms or at all. The inability to obtain funding as and when needed would have a negative impact on the Company's financial condition and ability to pursue its business strategies. If the Company is unable to obtain funding when needed, the Company could be forced to delay, reduce or eliminate some or all of its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations. The Company will need to generate significant revenue to achieve profitability, and it may never do so.

COVID-19 Pandemic and CARES Act

The COVID-19 pandemic is affecting the United States and global economies and may affect the Company's operations and those of third parties on which the Company relies, including by causing disruptions in the supply of the Company's product candidates and the conduct of current and future clinical trials. In addition, the COVID-19 pandemic may affect the operations of the Food and Drug Administration and other health authorities, which could result in delays of reviews and approvals, including with respect to the Company's product candidates. In light of developments relating to the COVID-19 pandemic, the Company discontinued enrollment at 67 patients in its Phase 2 LANTERN clinical trial and did not enroll patients in the United States. Additionally, while the economic impact brought by, and the duration of, the COVID-19 pandemic is difficult to assess or predict, the impact of the COVID-19 pandemic on the global financial markets may reduce the Company's ability to access capital, which could negatively impact the Company's short-term and long-term liquidity. The ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change, including the length of time needed to vaccinate a significant segment of the global population and effectiveness of the vaccines with respect to the new variants of the virus. The Company does not yet know the full extent of potential delays or impacts on its business, financing or clinical trial activities or on healthcare systems or the global economy as a whole. However, these effects could have a material impact on the Company's liquidity, capital resources, operations and business and those of the third parties on which the Company relies.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. The Company deferred the employer side social security payments of which 50% were due on December 31, 2021 and the remainder on December 31, 2022. The CARES Act also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. On December 27, 2020, the Consolidated Appropriations Act, 2021 was signed into law in order to provide further stimulus and support to those affected by the COVID-19 pandemic. The Company did not obtain funding from such loans. The Company does not believe the CARES Act or the Consolidated Appropriations Act, 2021 will have a material impact on its financial condition, results of operations, or liquidity.

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standard Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

The condensed consolidated financial statements have been prepared on the same basis as the audited annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of June 30, 2022 and the results of its operations and its cash flows for the three and six months ended June 30, 2022 and 2021. The results for the three and six months ended June 30, 2022 are not necessarily indicative of results to be expected for the year ending December 31, 2022, any other interim periods, or any future year or period. These condensed consolidated financial statements should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2021, and the notes thereto, which are included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 9, 2022.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are disclosed in the audited consolidated financial statements for the year ended December 31, 2021, included in the Company's Annual Report on Form 10-K filed with the SEC on March 9, 2022. Since the date of those financial statements, there have been no changes to its significant accounting policies except as noted below.

Use of Estimates

The preparation of the Company's condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and related disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, the Company's management evaluates its estimates, which include but are not limited to management's judgments of revenue recognition, operating lease right-of-use assets, operating lease liabilities, accrued expenses, valuation of share-based awards and deferred income taxes. Due to the uncertainty inherent in such estimates, actual results may differ from these estimates.

Restricted Cash

The Company had restricted cash of approximately $1.4 million and $0.3 million as of June 30, 2022 and December 31, 2021, respectively, which are held in certificates of deposit and collateral accounts at the Company's financial institution to secure the Company's letters of credit for its facility leases, as discussed in Note 8.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains all its cash and cash equivalents at a single accredited financial institution, in amounts that exceed federally insured limits.

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other foreign exchange hedging arrangements.

Net Loss per Share

The Company has reported losses since inception and has computed basic net loss per share attributable to common stockholders by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities. The weighted-average common shares outstanding as of June 30, 2022 included pre-funded warrants to purchase up to an aggregate of 5,000,000 shares of common stock that were issued in connection with the April 2022 Financing (as defined below), as discussed in Note 6. The Company has computed diluted net loss per common share after giving consideration to all potentially dilutive common shares, including options to purchase common stock and restricted stock units, outstanding during the period determined using the treasury-stock and if-converted methods, except where the effect of including such securities would be antidilutive. Because the Company has reported net losses since inception, these potential common shares have been anti-dilutive and basic and diluted loss per share have been the same.

The following table sets forth the potentially dilutive securities that have been excluded from the calculation of diluted net loss per share because to include them would be anti-dilutive (in common stock equivalent shares):

	Six Months Ended June 30,	
	2022	2021
Stock options	4,017,726	1,764,499
Restricted stock units	42,353	—
Total	4,060,079	1,764,499

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies 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 the Company's consolidated financial position, results of operations or cash flows.

3. Fair Value Measurements

The Company did not have financial assets and liabilities measured at fair value at June 30, 2022 and December 31, 2021.

There have been no changes to the valuation methods used during the three and six months ended June 30, 2022 and 2021. There were no transfers within the fair value hierarchy during the three and six months ended June 30, 2022 and 2021.

The carrying values of the Company's cash and cash equivalents, accounts payable and accrued expenses approximate their fair values due to the short-term nature of these assets and liabilities.

4. Property and Equipment

Property and equipment consist of the following at June 30, 2022 and December 31, 2021 (in thousands):

	June 30, 2022	December 31, 2021
Property and equipment:		
Laboratory equipment	$ 5,344	$ 5,293
Computer software and equipment	675	675
Office furniture and fixtures	323	301
Leasehold improvements	2,112	2,113
	$ 8,454	$ 8,382
Accumulated depreciation	(4,445)	(3,879)
Property and equipment, net	$ 4,009	$ 4,503

The Company recognized approximately $0.3 million and $0.3 million of depreciation expense for the three months ended June 30, 2022 and 2021, respectively, and $0.6 million and $0.4 million of depreciation expense for the six months ended June 30, 2022 and 2021, respectively.

5. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following at June 30, 2022 and December 31, 2021 (in thousands):

	June 30, 2022	December 31, 2021
Payroll and employee related expenses	$ 2,087	$ 2,429
Third-party research and development expenses	2,714	1,196
Professional and consulting fees	549	486
Other	115	147
Total accrued expenses and other current liabilities	$ 5,465	$ 4,258

6. Preferred and Common Stock

On May 5, 2020, the Company filed a restated certificate of incorporation which authorizes its Board of Directors to issue up to 200,000,000 shares of common stock, par value $0.001 per share and 10,000,000 shares of undesignated preferred stock, par value $0.001 per share.

The holders of common stock are entitled to one vote for each share held. Common stockholders are not entitled to receive dividends, unless declared by the Board of Directors.

The Company currently has an effective shelf registration statement on Form S-3 (No. 333-256020) filed with the SEC on May 11, 2021 (“Form S-3”), under which it may offer from time to time in one or more offerings any combination of common and preferred stock, debt securities, warrants and units of up to $250.0 million in the aggregate. As of June 30, 2022, the Company has not sold any securities under the Form S-3.

On May 11, 2021, the Company entered into an Open Market Sales Agreement (“2021 ATM Agreement”) with Jefferies LLC (“Jefferies”) to sell shares of its common stock, from time to time, with aggregate gross sales proceeds of up to $50.0 million, through an at-the-market equity offering program under which Jefferies will act as the Company’s sales agent. As of June 30, 2022, the Company has received no proceeds from the sale of shares of common stock pursuant to the 2021 ATM Agreement.

April 2022 Financing

On April 13, 2022, the Company announced the closing of its private placement of common stock (or, in lieu thereof, pre-funded warrants to purchase common stock), resulting in gross proceeds of approximately $100.5 million ("April 2022 Financing"). The Company received approximately $96.3 million in net proceeds after deducting estimated offering costs of $4.2 million. In the private placement, investors had the option to purchase either (a) shares of the Company's common stock at a price of $4.22 per share, or (b) in lieu thereof, pre-funded warrants to purchase shares of the Company's common stock, with an exercise price of $0.001 per share, at a purchase price of $4.219 per share (for aggregate consideration equating to $4.22 per share). Accordingly, pursuant to the securities purchase agreement, (i) certain investors purchased an aggregate of 18,815,159 shares of common stock at the purchase price described in the foregoing sentence and (ii) certain investors purchased pre-funded warrants to purchase an aggregate of 5,000,000 shares of common stock, with the exercise price and at the purchase, in each case, described in the foregoing sentence. Each pre-funded warrant is exercisable immediately.

The pre-funded warrants were classified as a component of permanent stockholders' equity within additional paid-in capital and were recorded at the issuance date using a relative fair value allocation method. The pre-funded warrants are equity classified because they are freestanding financial instruments that are legally detachable and separately exercisable from the equity instruments, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, permit the holders to receive a fixed number of shares of common stock upon exercise, are indexed to the Company's common stock and meet the equity classification criteria. In addition, such pre-funded warrants do not provide any guarantee of value or return. The Company valued the pre-funded warrants at issuance, concluding that their sales price approximated their fair value, and allocated net proceeds from the sale proportionately to the common stock and pre-funded warrants, of which $19.7 million was allocated to the pre-funded warrants and recorded as a component of additional paid-in capital. No pre-funded warrants have been exercised as of June 30, 2022.

The Company has reserved for future issuances the following shares of common stock as of June 30, 2022:

	As of June 30, 2022
Pre-funded warrants	5,000,000
Stock options and restricted stock units	5,550,416
Employee stock purchase plan	279,696
Total	10,830,112

7. Stock-Based Compensation Expense

The Company adopted the 2016 Equity Incentive Plan ("2016 Plan") in February 2016 and amended it in June 2017 and June 2018. Upon adoption of the 2016 Plan, no further grants were made under the 2005 Equity Incentive Plan ("2005 Plan").

In April 2020, the Company's Board of Directors adopted the Company's 2020 Incentive Award Plan ("2020 Plan"), and upon effectiveness of the 2020 Plan, the Company ceased granting awards under the 2016 Plan. The 2020 Plan provides for the grant of incentive stock options and nonqualified stock options, stock appreciation rights, restricted stock, dividend equivalents, restricted stock units, performance awards and other share and cash-based awards to employees and consultants and members of the Board of Directors of the Company and its subsidiaries.

The initial number of shares of the Company's common stock that may be issued under the 2020 Plan is 2,100,000 shares plus the number of shares of the Company's common stock underlying outstanding awards under the 2005 Plan and 2016 Plan as of the effective date of the 2020 Plan that expire, lapse or are terminated, exchanged for cash, surrendered, repurchased, canceled or forfeited following the effective date of the 2020 Plan. The number of shares available for issuance under the 2020 Plan will automatically increase on January 1st of each year from 2021 to 2030 by the lesser of (i) 4% of the number of shares of common stock outstanding on the final day of the immediately preceding calendar year and (ii) a smaller number of shares determined by the Company's Board of Directors. However, no more than 8,800,000 shares may be issued under the 2020 Plan pursuant to the exercise of incentive stock options. On January 1, 2022, the number of shares available for grant under the 2020 Plan was automatically increased by 520,287. As of June 30, 2022, the Company had 1,260,337 shares available for issuance under the 2020 Plan.

In February 2022, the Company's Board of Directors adopted the Company's 2022 Employment Inducement Award Plan ("Inducement Award Plan," and together with the 2020 Plan, 2016 Plan and 2005 Plan, the "Plans"), which was adopted by the Board of Directors without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Stock Market LLC listing rules ("Rule 5635(c)(4)"). In accordance with Rule 5635(c)(4), awards made under the Inducement Award Plan may only be made to a newly hired employee who has not previously been a member of the Board, or any employee who is being rehired following a bona fide period of non-employment by the Company or a subsidiary, as a material inducement to the employee's entering into employment with the Company or its subsidiary. An aggregate of 1,703,002 shares of the Company's common stock have been reserved for issuance under the Inducement Award Plan. In connection with the Company's appointment of its Executive Chair, the Executive Chair was granted options to purchase 1,473,002 shares of the Company's common stock under the Inducement Award Plan. As of June 30, 2022, the Company had 230,000 shares available for issuance under the Inducement Award Plan.

All stock option grants are nonqualified stock options except option grants to employees and officers intended to qualify as incentive stock options under the Internal Revenue Code of 1986, as amended. Stock options generally may not be granted at less than the fair market value of the Company's common stock on the date of grant. Vesting periods of awards are determined by the Board of Directors or its compensation committee. Vesting periods of awards granted to date range from vesting upon grant to vesting over a four-year period. Vesting conditions are generally based on continued service. Additionally, the Company has granted certain awards which vest upon the achievement of certain market capitalization targets and achievement of revenue milestones. Stock options granted under the Plans expire no more than 10 years from the date of grant.

Stock-based compensation expense included in the Company's condensed consolidated statements of operations and comprehensive loss was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Research and development	$ 209	$ 146	$ 436	$ 288
General and administrative	898	510	1,515	967
Total	$ 1,107	$ 656	$ 1,951	$ 1,255

The Company did not record any stock-based compensation associated with milestone-based awards in the three and six months ended June 30, 2022 and 2021.

In February 2022, the Company granted certain executive officers an aggregate of options to purchase a total of 520,000 shares of the Company's common stock under the Inducement Award Plan ("February 2022 Inducement Option") and 175,000 shares under the 2020 Plan (together with the February 2022 Inducement Option, the "February 2022 Options"). The February 2022 Options have an exercise price per share of $4.21. The February 2022 Options' final expiration date is February 15, 2032. In June 2022, the Company granted a certain executive officer an additional option under the Inducement Award Plan to purchase a total of 953,002 shares of the Company's common stock which has an exercise price per share of $5.09 (the "June 2022 Executive Option", and together with the February 2022 Options, "the Executive Options"). The June 2022 Executive Option's final expiration date is June 15, 2032. The Executive Options vest as to one-third of the shares underlying the options, in each case, upon the achievement of three distinct market capitalization targets during the five-year performance period following the date of grant, provided that no more than one-third of the option may vest prior to the first anniversary of the date of grant, no more than two-thirds of the option may vest prior to the second anniversary of the date of grant and the option may not become fully vested prior to the third anniversary of the date of grant, subject to the executive officers' continued service on each applicable vesting date and certain exceptions in the context of a change in control transaction. Stock-based compensation during the three and six months ended June 30, 2022 associated with the Executive Options was $0.3 million and $0.4 million, respectively.

The following table summarizes the Company's unrecognized stock-based compensation as of June 30, 2022:

	As of June 30, 2022	
	Unrecognized Expense (in thousands)	Period of Recognition (years)
Restricted stock units	$ 184	3.5
Stock options	11,444	2.2
Total	$ 11,628	

As of June 30, 2022, there was approximately $36,000 of unrecognized stock-based compensation related to a stock option award related to the achievement of a revenue-based milestone. As the Company believes the achievement of the revenue-based milestone is currently not probable, it has not recorded any stock-based compensation related to this award. The Company will continue to assess the probability of achieving the revenue-based milestone at each reporting period.

The fair value of each stock option granted to employees, directors and non-employees was estimated on the date of grant using the Black-Scholes option-pricing model, or a Monte Carlo simulation in the case of the Executive Options, with the following weighted-average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Risk-free interest rate	3.2%	0.9%	2.5%	0.7%
Expected dividend yield	—%	—%	—%	—%
Expected term (in years)	2.1	5.7	3.3	6.0
Expected volatility	80.6%	84.7%	80.7%	85.3%

A summary of the restricted stock unit activity under the Plans for the six months ended June 30, 2022 was as follows:

	Shares	Weighted-Average Grant Date Fair Value
Restricted stock units outstanding as of December 31, 2021	—	$ —
Granted	45,483	$ 4.79
Vested	(1,302)	$ 4.89
Forfeited	(1,828)	$ 4.78
Restricted stock units outstanding as of June 30, 2022	42,353	$ 4.78

A summary of the stock option activity under the Plans for the six months ended June 30, 2022 was as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding December 31, 2021	1,662,861	$ 10.34	7.6	$ 918
Granted	2,381,749	5.07		
Exercised	(2,718)	2.76		
Cancelled	(24,166)	7.10		
Outstanding at June 30, 2022	4,017,726	$ 7.24	8.7	$ 3,544
Exercisable at June 30, 2022	1,118,220	$ 9.79	6.8	$ 1,371
Vested and expected to vest at June 30, 2022	4,017,726	$ 7.24	8.7	$ 3,544

The weighted-average fair value of options granted to employees, directors and non-employees during the three months ended June 30, 2022 and 2021 was $3.73 and $5.49, respectively, and $3.24 and $7.28 for the six months ended June 30, 2022 and 2021, respectively.

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock. The aggregate intrinsic value of stock options exercised during the three months ended June 30, 2022 and 2021 was approximately $0 and $72,000, respectively, and $5,000 and $0.2 million for the six months ended June 30, 2022 and 2021, respectively.

2020 Employee Stock Purchase Plan

In April 2020, the Company's Board of Directors adopted the Company's 2020 Employee Stock Purchase Plan ("2020 ESPP"). The 2020 ESPP is structured as a qualified employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended, and is not subject to the provisions of the Employee Retirement Income Security Act of 1974. The Company initially reserved 150,000 shares of common stock for issuance under the 2020 ESPP. In addition, the number of shares available for issuance under the 2020 ESPP will be annually increased on January 1st of each year from 2021 to 2030 by the lesser of (i) 0.5% of the number of shares of common stock outstanding on the final day of the immediately preceding calendar year and (ii) such smaller number of shares as is determined by the Company's Board of Directors, provided that no more than 987,500 shares of common stock may be issued under the 2020 ESPP. On January 1, 2022, the number of shares available for grant under the 2020 ESPP was automatically increased by 65,035. The 2020 ESPP permits eligible participants to purchase common stock through payroll deductions of up to a specified percentage of their eligible compensation. On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of the Company's common stock. The option will expire at the end of the applicable offering period, and will be exercised at that time to the extent of the payroll deductions accumulated during the offering period, subject to the limits set forth in the 2020 ESPP. The purchase price of the shares, in the absence of a contrary designation, will be 85% of the lower of the fair market value of the Company's common stock on the first trading day of the offering period or on the purchase date. As of June 30, 2022, no shares have been issued under the 2020 ESPP.

8. Leases

Watertown Lease

In August 2007, the Company entered into an operating lease, as amended, for approximately 22,343 square feet of office and laboratory space in Watertown, Massachusetts. In November 2017, the Company amended its lease ("2017 Amendment") and extended the lease term through April 2023. Initial base rent under the 2017 Amendment was approximately $1.0 million per year. The 2017 Amendment includes annual rent escalations over the term of the operating lease. The Company maintains a letter of credit of approximately $0.3 million securing its obligations under the operating lease which is secured by approximately $0.3 million of certificate of deposits, which are included as restricted cash in the consolidated balance sheets. Rent expense is recognized on a straight-line basis over the terms of occupancy.

Waltham Lease

In May 2022, the Company executed a new lease for laboratory and office space. This lease will commence when the Company obtains possession of the underlying asset, which is expected to occur in the second quarter of 2023, following completion of construction to prepare the premises for the Company's intended use. Annual base rent will start at $2.2 million increasing 3% per year through the original non-cancelable term of the lease, which is ten years and two months following the lease commencement date. The Company has the option to extend the lease for one additional 5-year term and is responsible for real estate taxes, maintenance, and other operating expenses applicable to the leased premises.

As of June 30, 2022, the lease was not recorded on the condensed consolidated balance sheet as the facility is under construction and no payments relating to landlord-owned leasehold improvements have been made by the Company. When payments are made by the Company relating to landlord-owned leasehold improvements, they will be recorded to prepaid rent as a component of other non-current assets. On the lease commencement date, the Company plans to reclassify the prepayment to the right-of-use asset, thereby increasing its initial value, but the prepayment will not be included in the measurement of the lease liability. The lease will be recorded as a component of the Company's right-of-use asset and operating lease liabilities when the lease commencement date occurs.

The Company provided a letter of credit in the amount of $1.1 million as a security for the lease, which expires on May 1, 2023, at which point the letter will automatically renew each calendar year up to but not beyond July 31, 2033. The cash securing the letter of credit is classified as restricted cash on the consolidated balance sheet.

In addition to the leases discussed above, the Company is party to an April 2020 lease for office equipment that expires in June 2024. The equipment lease is accounted for as an operating lease.

Embedded Leases

In April 2021, the Company entered into a clinical supply agreement with a contract manufacturing organization ("CMO") for clinical production of the Company's product candidates at an existing facility and a facility under construction. The Company concluded that this clinical supply agreement contains embedded operating leases as the clean rooms in the existing facility and the new facility are designated for the Company's exclusive use during the term of the agreement and the clinical supply agreement contains fixed commitments and variable costs related to production and material costs in excess of the fixed commitment specified in the agreement. The Company determined that it did not control the new facility during construction and, thus, the lease did not fall in the scope of "build-to-suit" accounting. The term of the clinical supply agreement is five years and will automatically renew for additional successive terms of one year unless either party gives notice of nonrenewal.

The lease period for the existing facility is less than 12 months and the Company has elected to apply the practical expedient in ASC Topic 842, *Leases* ("ASC 842"), to not recognize a lease liability or right-of-use asset but instead, recognize lease payments as an expense on a straight-line basis over the lease term and variable lease payments that do not depend on an index or rate, as an expense in the period in which the variable lease costs are incurred based on performance or usage in accordance with the clinical supply agreement.

At the inception of the new facility lease, the Company determined the fixed commitment specified in the purchase order issued under the clinical supply agreement was not material and did not recognize a lease liability and right-of-use asset. The lease costs under this purchase order will be recognized as expense in the period in which the lease costs are incurred based on performance or usage in accordance with the purchase order. In the future, the Company will purchase product in batches from the CMO in quantities to be set forth on purchase orders submitted to the CMO, within a certain time period, prior to the requested date of delivery. The quantities of product ordered on each purchase order are binding obligations to purchase from the CMO and considered fixed commitments and the Company will recognize the appropriate lease liability and right-of-use asset at that time.

The components of lease cost recorded in the Company's condensed consolidated financial statements were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Lease Cost:				
Operating lease cost	$ 264	$ 264	$ 528	$ 528
Variable lease cost	1,996	1,243	2,874	1,362
Total lease cost	$ 2,260	$ 1,507	$ 3,402	$ 1,890

Variable lease payments include the Company's allocated share of costs incurred and expenditures made by the landlord in the operation and management of the building and variable lease costs associated with the Company's CMO embedded lease arrangement. During the three months ended June 30, 2022 and 2021, the Company recorded as research and development expense approximately $1.8 million and $1.1 million of operating lease costs related to the CMO embedded lease, respectively. During the six months ended June 30, 2022 and 2021, the Company recorded as research and development expense approximately $2.5 million and $1.1 million of operating lease costs related to the CMO embedded lease, respectively.

The weighted-average remaining lease term and discount rate related to the Company's operating leases were as follows:

	As of June 30, 2022
Weighted-average remaining lease term (in years)	0.8
Weighted-average discount rate	5.5%

Maturity of the Company's operating lease liabilities in accordance with ASC 842 as of June 30, 2022 were as follows (in thousands):

Year ending December 31,	
Remainder of 2022	$ 569
2023	382
2024	2
Total maturities	953
Less: Amount representing interest	(24)
Present value of operating lease liability	929
Less: Current portion of operating lease liability	(926)
Total operating lease liability, net of current portion	$ 3

9. Collaboration Agreement

On May 31, 2021, the Company entered into a License and Collaboration Agreement ("LianBio License Agreement") with LianBio Inflammatory Limited ("LianBio") to develop and commercialize LYR-210 in Greater China (mainland China, Hong Kong, Taiwan, and Macau), South Korea, Singapore and Thailand. Under the terms of the LianBio License Agreement, the Company received an upfront payment of $12.0 million and is eligible to receive up to $135.0 million in future payments based upon the achievement of specified development, regulatory and commercialization milestones. Upon commercialization on a region-by-region basis, the Company will be entitled to receive low double-digit royalties based on net sales of LYR-210 in the licensed territories. LianBio will be responsible for the clinical development and commercialization of LYR-210 in the licensed territories, and the Company will retain all rights to LYR-210 in all other geographies. As part of the LianBio License Agreement, LianBio will also have the first right to obtain development and commercial rights in the licensed territories to the Company's LYR-220 product candidate.

The Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808"), which includes determining whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities, or ASC 606. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently, generally by analogy to ASC 606.

The Company assessed this arrangement in accordance with ASC 606 and concluded that the contract counterparty, LianBio, is a customer. At the commencement of the arrangement, the Company identified the following material promises: (1) license to develop and commercialize LYR-210, (2) manufacturing activities related to the clinical supply of LYR-210, (3) a non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure, and (4) the Company's performance of the development activities related to the global Phase 3 clinical trial. The Company determined that the license to develop and commercialize LYR-210, the manufacturing activities related to the clinical supply of LYR-210, and the non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure represent a single performance obligation because of the specialized nature of the LYR-210 manufacturing process whereby the license cannot be separated from the manufacturing activities related to the supply of LYR-210 and the right to manufacture LYR-210 is only available if there is a supply failure. For the purposes of ASC 606, the Company determined there were two distinct performance obligations: (1) the license to develop and commercialize LYR-210, manufacturing activities related to the clinical supply of LYR-210, and the non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure, and (2) the Company's performance of the development activities related to the global Phase 3 clinical trial.

Under the LianBio License Agreement, in order to evaluate the transaction price for purposes of ASC 606, the Company determined that the upfront payment of $12.0 million and the reimbursable cost of the clinical supply of LYR-210 constitute the entirety of the consideration to be included in the transaction price as of the outset of the arrangement, which was allocated to the two performance obligations. The potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained based on the probability of achievement.

Additionally, the Company determined that LianBio's right of first refusal to obtain development and commercial rights in the licensed territories to LYR-220 is an option as any agreement would be negotiated at arm's length and as a result does not provide a material right to LianBio and as such, is not considered a performance obligation.

The Company will recognize the revenue associated with the license to develop and commercialize LYR-210, manufacturing activities related to the clinical supply of LYR-210, and the non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure combined performance obligation as the clinical supply of LYR-210 is delivered. The Company recognizes revenue associated with the development activities related to the global Phase 3 clinical trial performance obligation as the development activities are performed using an input method, according to the costs incurred as to the development activities related to the global Phase 3 clinical trial and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation. The amounts received that have not yet been recognized as revenue are deferred as a contract liability on the Company's consolidated balance sheet and will be recognized as the clinical supply of LYR-210 is delivered and over the remaining time it takes to conduct the global Phase 3 clinical trial, respectively. As of June 30, 2022, the Company had deferred revenue of approximately $8.3 million related to the combined performance obligation and approximately $2.7 million related to the performance of the development activities related to the global Phase 3 clinical trial.

During the three months ended June 30, 2022 and 2021, the Company recognized $0.4 million and $0 of collaboration revenue associated with performance obligations, respectively, and $0 of collaboration revenue associated with milestone achievements. During the six months ended June 30, 2022 and 2021, the Company recognized $0.8 million and $0 of collaboration revenue associated with performance obligations, respectively, and $5.0 million and $0 of collaboration revenue associated with milestone achievements, respectively.

Development and regulatory milestone fees, which are a type of variable consideration, are recognized as revenue to the extent that it is probable that a significant reversal will not occur. The Company recognizes royalty revenue and sales-based milestones at the later of (i) when the related sales occur, or (ii) when the performance obligation to which the royalty has been allocated has been satisfied.

Entities affiliated with Perceptive Advisors, LLC are shareholders of both the Company and LianBio. Additionally, two of the Company's directors are Managing Directors at Perceptive Advisors, LLC and one of these directors is also the Executive Chairman of LianBio's board of directors.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties.

Our actual results and timing of certain events may differ materially from the results discussed, projected, anticipated, or indicated in any forward-looking statements. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition, and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Quarterly Report on Form 10-Q. In addition, even if our results of operations, financial condition, and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Quarterly Report on Form 10-Q, they may not be predictive of results or developments in future periods.

The following information and any forward-looking statements should be considered in light of factors discussed elsewhere in this Quarterly Report on Form 10-Q, including those risks identified under Part II, Item 1A. Risk Factors.

We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

We are a clinical-stage therapeutics company focused on the development and commercialization of novel integrated drug and delivery solutions for the localized treatment of patients with ear, nose and throat diseases. Our proprietary technology platform, XTreo, is designed to precisely and consistently deliver medicines directly to the affected tissue for sustained periods with a single administration. Our initial product candidates, LYR-210 and LYR-220, are bioresorbable polymeric matrices designed to be administered in a brief, non-invasive, in-office procedure and intended to deliver up to six months of continuous drug therapy to the sinonasal passages for the treatment of chronic rhinosinusitis, or CRS. The therapeutic embedded within LYR-210 and LYR-220 is mometasone furoate, which is the active ingredient in various U.S. Food and Drug Administration, or FDA, approved drugs and has a well-established efficacy and safety profile. CRS is an inflammatory disease of the paranasal sinuses which leads to debilitating symptoms and significant morbidities and affects approximately 14 million people in the United States.

We have advanced LYR-210 as a potential preferred alternative to surgery through our Phase 2 randomized, controlled, patient blinded LANTERN clinical trial, designed to evaluate the safety and efficacy in CRS patients both with and without nasal polyps who have failed previous medical management but have not undergone endoscopic sinus surgery. The trial was designed to enroll 99 evaluable patients with the potential to increase to up to 150 patients and was initiated in May 2019 at sites in Australia, Austria, Czech Republic, New Zealand, and Poland. In December 2019, the FDA authorized our investigational new drug application, and, prior to the COVID-19 pandemic, we planned to enroll patients in the United States. However, in light of developments relating to the COVID-19 pandemic, we discontinued enrollment at 67 patients in our Phase 2 LANTERN clinical trial and did not enroll any patients in the United States.

On December 7, 2020, we reported positive top-line results from our Phase 2 LANTERN clinical trial, including that the 7,500 µg dose of LYR-210 achieved statistically significant improvement in the composite four cardinal symptoms score, or 4CSS, in favor of the treatment arm as measured by the change from baseline at weeks 16, 20, and 24. However, although a strong treatment effect was observed at week 4, LYR-210 did not achieve the primary endpoint of change from baseline in 4CSS at week 4 at either the 7,500 µg dose or 2,500 µg dose relative to the control group. We believe this was due primarily to the discontinuation of enrollment related to the COVID-19 pandemic. As a result of the decrease in the number of patients enrolled from planned (99 evaluable) to actually enrolled (67), a greater magnitude of change from baseline in 4CSS at week 4 and/or a smaller standard deviation associated with the change from baseline was required in order to achieve statistical significance for the primary endpoint at week 4. LYR-210 was observed to be safe and well-tolerated at all doses in the trial, and no treatment-related serious adverse events were reported.

In addition, we initiated a separate characterization study in the United States to collect certain pharmacokinetic, or PK, data. The PK study was a 56-day open label, multi-center, U.S. study of the PK and safety of LYR-210 in adult subjects with chronic rhinosinusitis. The primary objective of the study was to establish the PK profile of LYR-210. The study enrolled 24 patients, half of whom received LYR-210 2,500 µg and the other half received LYR-210 7,500 µg. The study indicated that both doses were safe and well tolerated, with the mean maximum plasma concentration, or Cmax, observed with the 7,500 µg dose well below the Cmax established for FDA-approved formulations of mometasone furoate, or MF. MF blood plasma levels observed during the PK study support LYR-210's ability to deliver consistent and steady dosing over the entire treatment period.

In our Phase 1 clinical trial, LYR-210 met its primary safety endpoint, and we observed that patients generally experienced significant, rapid, clinically meaningful, and durable improvement in SNOT-22 scores, an established patient symptom severity scale, through week 25, which was the end of the trial. Secondary findings from our Phase 1 clinical trial showed that LYR-210 demonstrated significant reduction of sinonasal Type 2 inflammation in surgically-naïve patients with CRS. We believe the reduction of Type 2 inflammation suggests a correlation with rhinologic symptom improvement in CRS and we believe the reduction could be a potential measure of LYR-210's local anti-inflammatory effects at the site of inflammation in the sinonasal passages.

We initiated our LYR-210 Phase 3 program in January 2022. Our LYR-210 Phase 3 program consists of two pivotal trials – ENLIGHTEN I and ENLIGHTEN II. ENLIGHTEN I is a 52-week, multi-center, randomized, blinded, sham-controlled trial designed to evaluate the efficacy and safety of LYR-210 in approximately 180 surgery-naïve CRS patients without nasal polyps or with polyps confined to the middle meatus and have failed prior medical management. The trial consists of three stages – a 2- to 4-week screening and run-in stage, a 24-week treatment stage followed by a 28-week safety extension stage. In the treatment stage, patients are randomized 2:1 to receive LYR-210 (7,500 µg) or sham-procedure. At the end of the treatment stage, patients in the control group receive crossover LYR-210 treatment while patients in the LYR-210 group are re-randomized 1:1 to either receive a crossover sham-procedure or a repeat treatment with LYR-210 (7,500 µg).

ENLIGHTEN II is a 24-week, multi-center, randomized, blinded, sham-controlled trial designed to evaluate the efficacy and safety of LYR-210 in approximately 216 surgery-naïve CRS patients without nasal polyps or with polyps confined to the middle meatus and have failed prior medical management. The trial consists of two stages – a 2- to 4-week screening and run-in stage and a 24-week treatment stage. Patients are randomized 2:1 to receive LYR-210 (7,500 µg) or sham-procedure.

The primary endpoint of both ENLIGHTEN I and ENLIGHTEN II is the change from baseline, or CFBL, at week 24 in the composite score of three cardinal symptoms, namely nasal congestion, facial pain/pressure, and nasal discharge, or 3CS. Secondary endpoints include CFBL in individual cardinal symptoms at week 24, CFBL in CT sinus opacification score at week 24, CFBL in SNOT-22 at week 24, and rescue treatment use through week 24.

We are also developing LYR-220 for use in CRS patients who have an enlarged nasal cavity due to sinus surgery but continue to require treatment to manage CRS symptoms. We initiated the Phase 2 BEACON clinical trial for LYR-220 in November 2021, which will include sites in Australia and the U.S., and will enroll up to 70 CRS patients with prior sinus surgery and will assess the safety, PK, and efficacy of two designs of LYR-220 compared to control. Beyond CRS, we believe our XTreo platform has potential applications in other disease areas, which we are actively exploring to further broaden its therapeutic potential.

We were incorporated as a Delaware corporation on November 21, 2005, and our headquarters is located in Watertown, Massachusetts. Our operations to date have been limited to organizing and staffing our Company, business planning, raising capital, developing our technology, building our intellectual property portfolio and conducting research and development activities for our product candidates. We do not have any products approved for sale and have not generated any revenue from product sales.

From inception through June 30, 2022, we have raised an aggregate of $345.4 million to fund our operations, of which $162.1 million were gross proceeds from sales of our redeemable convertible preferred stock, $96.3 million were net proceeds from our sale of common stock and pre-funded warrants in April 2022, or the April 2022 Financing, $57.3 million were net proceeds from our initial public offering in May 2020, $16.8 million were gross proceeds from government contracts and $12.0 million were gross proceeds from our license and collaboration agreement.

We have incurred significant net operating losses in every year since our inception and expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. Our net losses may fluctuate significantly from quarter to quarter and year to year and could be substantial. Our net losses were $14.5 million and $11.0 million for the three months ended June 30, 2022 and 2021, respectively, and $21.5 million and $18.8 million for the six months ended June 30, 2022 and 2021, respectively. As of June 30, 2022, we had an accumulated deficit of $214.9 million. We anticipate that our expenses will increase significantly as we:

- conduct additional clinical trials of our most advanced product candidate, LYR-210, including two planned pivotal Phase 3 clinical trials of LYR-210;
- conduct a Phase 2 clinical trial of LYR-220;
- continue to discover and develop additional product candidates;
- establish manufacturing and supply chain capacity sufficient to provide commercial quantities of any product candidates for which we may obtain marketing approval;
- seek regulatory and marketing approvals for product candidates that successfully complete clinical trials, if any;
- establish a sales, marketing, and distribution infrastructure to commercialize any products for which we may obtain regulatory approval in geographies in which we plan to commercialize our products ourselves;
- maintain, expand and protect our intellectual property portfolio;
- hire additional staff, including clinical, scientific, technical, regulatory, operational, financial, commercial, and support personnel, to execute our business plan; and
- add clinical, scientific, operational, financial and management information systems and personnel to support our product development and potential future commercialization efforts, and to enable us to operate as a public company.

We do not expect to generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for a product candidate. Additionally, we currently use contract research organizations, or CROs, and contract manufacturing organizations, or CMOs, to carry out our clinical development activities. We do not yet have a sales organization. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution. Furthermore, we will continue to incur additional costs associated with operating as a public company. As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to fund our operations through public or private equity or debt financings or other sources, including strategic collaborations and licensing arrangements. We may, however, be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Our failure to raise capital or enter into such other arrangements as and when needed would have a negative impact on our financial condition and our ability to develop our current product candidates, or any additional product candidates, if developed.

Because of the numerous risks and uncertainties associated with therapeutics product development, we are unable to accurately predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate revenue from product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

COVID-19 Pandemic and CARES Act

The COVID-19 pandemic is affecting the United States and global economies and may affect our operations and those of third parties on which we rely, including by causing disruptions in the supply of our product candidates and the conduct of current and future clinical trials. In addition, the COVID-19 pandemic may affect the operations of the FDA and other health authorities, which could result in delays of reviews and approvals, including with respect to our product candidates. Additionally, while the economic impact brought by, and the duration of, the COVID-19 pandemic is difficult to assess or predict, the impact of the COVID-19 pandemic on the global financial markets may reduce our ability to access capital, which could negatively impact our short-term and long-term liquidity. The ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change, including the length of time needed to vaccinate a significant segment of the global population and effectiveness of the vaccines with respect to the new variants of the virus. We do not yet know the full extent of potential delays or impacts on our business, financing, or clinical trial activities, or on healthcare systems or the global economy as a whole. However, these effects could have a material impact on our liquidity, capital resources, operations, and business and those of the third parties on which we rely.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. We deferred the employer side social security payments. The CARES Act also appropriated funds for the Small Business Administration Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by the COVID-19 pandemic. On December 27, 2020, the Consolidated Appropriations Act, 2021 was signed into law in order to provide further stimulus and support to those affected by the COVID-19 pandemic. We did not obtain funding from such loans. We do not believe the CARES Act or the Consolidated Appropriations Act, 2021 will have a material impact on our financial condition, results of operations, or liquidity.

As of June 30, 2022, we had cash and cash equivalents totaling $120.7 million. We believe that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements into mid-2024. We have based these estimates on assumptions that may prove to be imprecise or incorrect, and we may use our available capital resources sooner than we currently expect. See "—Liquidity and Capital Resources." Because of the numerous risks and uncertainties associated with the development of our product candidates and any future product candidates, our platform, and technology, and because the extent to which we may enter into collaborations with third parties for development of any of our product candidates is unknown, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the research and development of our product candidates.

If we raise additional funds through additional collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce, or terminate our product development programs or any future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future. To date, we have recognized $6.1 million of collaboration revenue from our License and Collaboration Agreement, or LianBio License Agreement, with LianBio Inflammatory Limited, or LianBio.

If our development efforts for our product candidates are successful and result in regulatory approval and successful commercialization efforts, or additional collaboration agreements, we may generate revenue in the future from product sales, payments from additional collaboration or license agreements that we may enter into with third parties, or any combination thereof. We cannot predict if, when, or to what extent we will generate revenue from the commercialization and sale of our product candidates. We may never succeed in obtaining regulatory approval for any of our product candidates.

We expect that our revenue for the next several years will be derived primarily from our collaboration agreement with LianBio as well as any additional collaborations that we may enter into in the future. We cannot provide assurance as to the timing of future milestone or royalty payments or that we will receive any of these payments at all.

Collaboration Agreement

On May 31, 2021, we entered into the LianBio License Agreement to develop and commercialize LYR-210 in Greater China (mainland China, Hong Kong, Taiwan, and Macau), South Korea, Singapore and Thailand. Under the terms of the LianBio License Agreement, we received an upfront payment of $12.0 million and are eligible to receive up to $135.0 million in future payments based upon the achievement of specified development, regulatory and commercialization milestones. Upon commercialization on a region-by-region basis, we will be entitled to receive low double-digit royalties based on net sales of LYR-210 in the licensed territories. LianBio will be responsible for the clinical development and commercialization of LYR-210 in the licensed territories, and we will retain all rights to LYR-210 in all other geographies. As part of the LianBio License Agreement, LianBio will also have the first right to obtain development and commercial rights in the licensed territories to our LYR-220 product candidate.

We assessed this arrangement in accordance with ASC 606 and concluded that the contract counterparty, LianBio, is a customer. At the commencement of the arrangement, we identified the following material promises: (1) license to develop and commercialize LYR-210, (2) manufacturing activities related to the clinical supply of LYR-210, (3) a non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure, and (4) the Company's performance of the development activities related to the global Phase 3 clinical trial. We determined that the license to develop and commercialize LYR-210, the manufacturing activities related to the clinical supply of LYR-210, and the non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure represent a single performance obligation because of the specialized nature of the LYR-210 manufacturing process whereby the license cannot be separated from the manufacturing activities related to the supply of LYR-210 and the right to manufacture LYR-210 is only available if there is a supply failure. For the purposes of ASC 606, we determined there were two distinct performance obligations: (1) the license to develop and commercialize LYR-210, manufacturing activities related to the clinical supply of LYR-210, and the non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure, and (2) the Company's performance of the development activities related to the global Phase 3 clinical trial.

Under the LianBio License Agreement, in order to evaluate the transaction price for purposes of ASC 606, we determined that the upfront payment of $12.0 million and the reimbursable cost of the clinical supply of LYR-210 constitute the entirety of the consideration to be included in the transaction price as of the outset of the arrangement, which was allocated to the two performance obligations. The potential milestone payments that we are eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained based on the probability of achievement.

Additionally, we determined that LianBio's right of first refusal to obtain development and commercial rights in the licensed territories to LYR-220 is an option as any agreement would be negotiated at arm's length and as a result does not provide a material right to LianBio and as such, is not considered a performance obligation.

We will recognize the revenue associated with the license to develop and commercialize LYR-210, manufacturing activities related to the clinical supply of LYR-210, and the non-exclusive license to manufacture LYR-210 and obligation to transfer manufacturing technology in the case of a supply failure combined performance obligation as the clinical supply of LYR-210 is delivered. We recognize revenue associated with the development activities related to the global Phase 3 clinical trial performance obligation as the development activities are performed using an input method, according to the costs incurred as to the development activities related to the global Phase 3 clinical trial and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation. The amounts received that have not yet been recognized as revenue are deferred as a contract liability on our consolidated balance sheet and will be recognized as the clinical supply of LYR-210 is delivered and over the remaining time it takes to conduct the global Phase 3 clinical trial, respectively.

Operating Expenses

Our operating expenses since inception have consisted solely of research and development costs and general and administrative costs.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including the development of and pursuit of regulatory approval of our most advanced product candidate, LYR-210, for the treatment of CRS, which include:

- employee-related expenses, including salaries, benefits, and stock-based compensation expense for personnel engaged in research and development functions;
- expenses incurred in connection with the preclinical and clinical development of our product candidates, including under agreements with CROs, investigative sites, and consultants;
- costs of manufacturing our product candidates for use in our clinical trials, including fees paid to CMOs as well as other manufacturers that provide components of our product candidates for use in our potential future clinical trials;
- consulting and professional fees related to research and development activities;
- costs related to compliance with clinical regulatory requirements; and
- facility costs and other allocated expenses, which include expenses for rent and maintenance of our facility, utilities, depreciation, and other supplies.

We expense research and development costs as incurred. We recognize costs for certain development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as clinical site activations, patient enrollment, or information provided to us by our vendors and our clinical investigative sites. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and may be reflected in our consolidated financial statements as prepaid or accrued research and development expenses.

Our research and development expenses consist primarily of costs such as employee compensation, consulting fees, fees paid to CMOs and CRO expenses in connection with our preclinical and clinical development activities. We typically use our employee and infrastructure resources across our development programs and we do not allocate personnel costs and other internal costs to specific product candidates or development programs with the exception of the costs to manufacture our product candidates.

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will continue to increase for the foreseeable future as we initiate additional clinical trials, including two clinical trials for LYR-210 and one clinical trial for LYR-220, scale our manufacturing processes, and continue to discover and develop additional product candidates.

The successful development of LYR-210, LYR-220, and other potential future product candidates is highly uncertain. Accordingly, at this time, we cannot reasonably estimate or know the nature, timing, and costs of the efforts that will be necessary to complete the development of these product candidates. We are also unable to predict when, if ever, we will generate revenue and material net cash inflows from the commercialization and sale of any of our product candidates for which we may obtain marketing approval. We may never succeed in achieving regulatory approval for any of our product candidates. The duration, costs, and timing of preclinical studies, clinical trials, and development of our product candidates will depend on a variety of factors, including:

- successful completion of clinical trials with safety, tolerability, and efficacy profiles for LYR-210, LYR-220, and any potential future product candidates that are satisfactory to the FDA or any comparable foreign regulatory authority;
- approval of an IND for LYR-220 and any potential future product candidate to commence planned or future clinical trials in the United States or foreign countries;

- significant and changing government regulation and regulatory guidance;
- timing and receipt of marketing approvals from applicable regulatory authorities;
- making arrangements with CMOs for third-party clinical and commercial manufacturing to obtain sufficient supply of our product candidates;
- obtaining and maintaining patent and other intellectual property protection and regulatory exclusivity for our product candidates;
- commercializing the product candidates, if and when approved, whether alone or in collaboration with others;
- competition with other therapies; and
- business interruptions resulting from the COVID-19 pandemic.

A change in the outcome of any of these variables with respect to the development, manufacture, or commercialization enabling activities of any of our product candidates would significantly change the costs, timing, and viability associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we may be required to expend significant additional financial resources and time on the completion of clinical development.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in executive, finance, and administrative functions. General and administrative expenses also include direct and allocated facility-related costs as well as professional fees for legal, patent, consulting, investor, and public relations, accounting, auditing, tax services, and insurance costs.

We expect that our general and administrative expenses will increase in the future to support continued research and development activities and potential commercialization of our product candidates. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside consultants, attorneys, and accountants, among other expenses. Additionally, we will continue to incur increased expenses associated with being a public company, including costs of additional personnel, accounting, audit, legal, regulatory, and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs, and investor and public relations costs.

Interest Income

Interest income consists of interest income earned on our cash, cash equivalents and restricted cash.

Critical Accounting Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our unaudited consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in our consolidated financial statements during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience, known trends and events, and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ materially from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting estimates from those described in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in our Annual Report on Form 10-K filed with the SEC on March 9, 2022.

Recently Issued and Adopted Accounting Pronouncements

We have reviewed all recently issued standards and have determined that, other than as disclosed in Note 2 in our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, such standards will not have a material impact on our consolidated financial statements or do not otherwise apply to our operations.

Results of Operations

Comparison of the Three Months Ended June 30, 2022 and 2021

The following table summarizes our results of operations for the three months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Dollar Change
	2022	2021	
Collaboration revenue	$ 407	$ —	$ 407
Operating expenses:			
Research and development	10,793	7,505	3,288
General and administrative	4,132	3,560	572
Total operating expenses	14,925	11,065	3,860
Loss from operations	(14,518)	(11,065)	(3,453)
Other income:			
Interest income	34	26	8
Total other income	34	26	8
Net loss	$ (14,484)	$ (11,039)	$ (3,445)

Collaboration Revenue

The increase in collaboration revenue for the three months ended June 30, 2022 was a result of revenue recognized under the LianBio License Agreement related to performance obligations under the LianBio License Agreement in the amount of $0.4 million.

Research and Development Expenses

Research and development expenses increased by $3.3 million to $10.8 million for the three months ended June 30, 2022 from $7.5 million for the three months ended June 30, 2021.

The increase in research and development expenses for the three months ended June 30, 2022 was primarily attributable to increased clinical development costs of $2.6 million as we continued to enroll patients in our ENLIGHTEN I Phase 3 clinical trial and employee related costs of $1.0 million as we increased research and development headcount to support increased research and development activities. These increases were partially offset by decreased consulting costs of $0.3 million and decreased product development and manufacturing costs of $0.2 million as we improved yields in product manufacturing.

General and Administrative Expenses

General and administrative expenses increased by $0.6 million to $4.1 million for the three months ended June 30, 2022 from $3.6 million for the three months ended June 30, 2021.

The increase in general and administrative expenses for the three months ended June 30, 2022 was primarily attributable to increased employee related costs of $0.7 million, of which $0.4 million was related to stock-based compensation. This increase was partially offset by decreased professional and consulting costs of $0.1 million.

Interest Income

Interest income increased by $8,000 to $34,000 for the three months ended June 30, 2022 from $26,000 for the three months ended June 30, 2021. The increase was attributable to higher average cash and cash equivalent balances during the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 as a result of the proceeds received from our April 2022 Financing.

Comparison of the Six Months Ended June 30, 2022 and 2021

The following table summarizes our results of operations for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,		Dollar Change
	2022	2021	
Collaboration revenue	$ 5,774	$ —	$ 5,774
Operating expenses:			
Research and development	19,298	12,275	7,023
General and administrative	8,020	6,621	1,399
Total operating expenses	27,318	18,896	8,422
Loss from operations	(21,544)	(18,896)	(2,648)
Other income:			
Interest income	48	55	(7)
Total other income	48	55	(7)
Net loss	$ (21,496)	$ (18,841)	$ (2,655)

Collaboration Revenue

The increase in collaboration revenue was a result of revenue recognized under the LianBio License Agreement related to the achievement of a development milestone in the amount of $5.0 million and revenue related to performance obligations under the LianBio License Agreement in the amount of $0.8 million.

Research and Development Expenses

Research and development expenses increased by $7.0 million to $19.3 million for the six months ended June 30, 2022 from $12.3 million for the six months ended June 30, 2021.

The increase in research and development expenses for the six months ended June 30, 2022 was primarily attributable to increased clinical development costs of $4.6 million as we enrolled our first patients in our ENLIGHTEN I Phase 3 clinical trial, employee related costs of $1.8 million as we increased research and development headcount to support increased research and development activities, product development and manufacturing costs of $0.1 million as we increased activities to support our clinical activities while we improved yields in product manufacturing and depreciation expense of $0.2 million as we invest in our manufacturing capabilities.

General and Administrative Expenses

General and administrative expenses increased by $1.4 million to $8.0 million for the six months ended June 30, 2022 from $6.6 million for the six months ended June 30, 2021.

The increase in general and administrative expenses for the six months ended June 30, 2022 was primarily attributable to increased employee related costs of $1.0 million, of which $0.5 million was related to stock-based compensation as well as professional and consulting costs of $0.5 million. These were partially offset by a decrease in public company related costs of $0.1 million.

Interest Income

Interest income decreased by $7,000 to $48,000 for the six months ended June 30, 2022 from $55,000 for the six months ended June 30, 2021. The decrease was primarily attributable to lower average cash and cash equivalent balances during the first quarter of 2022 prior to the receipt of the net proceeds from our April 2022 Financing.

Liquidity and Capital Resources

Sources of Liquidity

We have funded our operations from inception through June 30, 2022 primarily with gross proceeds of $162.1 million from sales of our redeemable convertible preferred stock, net proceeds of $96.3 million from our April 2022 Financing, net proceeds of $57.3 million from our IPO, $16.8 million from government contracts and $12.0 million of gross proceeds from our license and collaboration agreement. The following table provides information regarding our total cash and cash equivalents at June 30, 2022 and December 31, 2021 (in thousands):

	As of June 30, 2022	As of December 31, 2021
Cash and cash equivalents	$ 120,669	$ 45,747

We currently have an effective shelf registration statement on Form S-3 (No. 333-256020) filed with the SEC on May 11, 2021, or the Form S-3, under which we may offer from time to time in one or more offerings any combination of common and preferred stock, debt securities, warrants and units of up to $250.0 million in the aggregate. As of June 30, 2022, we have not sold any securities under the Form S-3.

On May 11, 2021, we entered into an Open Market Sales Agreement, or 2021 ATM Agreement, with Jefferies LLC, or Jefferies, to sell shares of our common stock, from time to time, with aggregate gross sales proceeds of up to $50.0 million, through an at-the-market equity offering program under which Jefferies will act as our sales agent. As of June 30, 2022, we had received no proceeds from the sale of shares of common stock pursuant to the 2021 ATM Agreement.

Cash Flows

The following table provides information regarding our cash flows for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,	
	2022	2021
Net cash used in operating activities	$ (20,375)	$ (4,209)
Net cash used in investing activities	(107)	(1,785)
Net cash provided by financing activities	96,493	447
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 76,011	$ (5,547)

Net Cash Used in Operating Activities

The cash used in operating activities resulted primarily from our net losses adjusted for non-cash charges and changes in components of working capital.

Net cash used in operating activities was $20.4 million for the six months ended June 30, 2022 compared to $4.2 million for the six months ended June 30, 2021. The increase in cash used in operating activities of $16.2 million was primarily attributable to changes in cash used by operating activities resulting from:

- $2.7 million increase in net loss;
- $14.4 million decrease in changes in the components of working capital;
- $0.7 million increase in stock-based compensation; and
- $0.2 million increase in depreciation expense.

Net Cash Used in Investing Activities

Net cash used in investing activities was $0.1 million for the six months ended June 30, 2022 compared to $1.8 million for the six months ended June 30, 2021. The decrease in cash used in investing activities of $1.7 million was attributable to a decrease in cash used for the purchase of property, equipment and CMO leasehold improvements as we have now begun manufacturing our product candidates for our clinical trials at our CMO's facility and our facility in Watertown, Massachusetts.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $96.5 million for the six months ended June 30, 2022 compared to $0.4 million for the six months ended June 30, 2021. The increase in cash provided by financing activities of $96.0 million during the six months ended June 30, 2022 was primarily attributable to the net proceeds received from our April 2022 Financing during the six months ended June 30, 2022.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development for, begin the manufacturing scale up process for, initiate later stage clinical trials for, and seek marketing approval for, our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution. Furthermore, we will continue to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce, or eliminate our research and development programs or future commercialization efforts.

We expect that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements into mid-2024. We have based this estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- the costs of conducting future clinical trials of LYR-210 and LYR-220;
- the costs of manufacturing additional material for two pivotal Phase 3 clinical trials of LYR-210 and a Phase 2 clinical trial of LYR-220 as well as potential future clinical studies we might conduct for our other product candidates;
- the costs of scaling up our manufacturing process and supply chain capacity to provide sufficient quantities of LYR-210 and LYR-220 for the potential commercialization of LYR-210 and LYR-220 if our clinical development program is successful and we obtain marketing approval;
- the scope, progress, results, and costs of discovery, preclinical development, laboratory testing, and clinical trials for other potential product candidates we may develop, if any;
- the costs, timing, and outcome of regulatory review of our product candidates;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under any collaboration agreements we might have at such time;
- the costs and timing of future commercialization activities, including product sales, marketing, manufacturing, and distribution, for any of our product candidates for which we receive marketing approval;
- the amount of revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;
- the costs of preparing, filing, and prosecuting patent applications, obtaining, maintaining, and enforcing our intellectual property rights, and defending intellectual property-related claims;

- our headcount growth and associated costs as we expand our business operations, our research and development activities, and our manufacturing scale up;
- the costs of operating as a public company; and
- the cost of potential business interruptions resulting from the COVID-19 pandemic.

Identifying potential product candidates and conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interests may be diluted, and the terms of these securities may include liquidation or other preferences that could adversely affect your rights as a common stockholder. We have access to additional funds to be earned in connection with our LianBio License Agreement, if development activities are successful under that agreement. Any debt financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends, that could adversely impact our ability to conduct our business.

If we raise funds through additional collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, or product candidates, or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce, or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Emerging Growth Company Status

The JOBS Act permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period under the JOBS Act. As a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make comparison of our financials to those of other public companies more difficult.

We will remain an emerging growth company until the earliest to occur of: (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our IPO, or December 31, 2025, (b) in which we have total annual gross revenues of $1.07 billion or more, or (c) in which we are deemed to be a large accelerated filer under the rules of the SEC, which means the market value of our outstanding common stock held by non-affiliates exceeds $700 million as of last business day of our most recently completed second fiscal quarter, and (2) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item 3.

Item 4. Controls and Procedures.

Management's Evaluation of Disclosure Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2022.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(f) or 15d-15(f) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in litigation relating to claims arising from the ordinary course of business. Our management believes that there are currently no claims or actions pending against us, the ultimate disposition of which could have a material adverse effect on our results of operations or financial condition.

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below and the other information included in this Quarterly Report on Form 10-Q before making an investment in our common stock. Our business, financial condition, results of operations, or prospects could be materially and adversely affected if any of these risks occurs, and as a result, the market price of our common stock could decline and you could lose all or part of your investment. This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. See "Special Note Regarding Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors, including those set forth below.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history and a history of escalating operating losses, which may make it difficult to evaluate the prospects for our future viability.

We are a clinical-stage therapeutics company established in November 2005. Our operations to date have been limited to financing and staffing our Company, developing our technology, and identifying and developing our product candidates. Our prospects must be considered in light of the uncertainties, risks, expenses, and difficulties frequently encountered by companies in their early stages of operations. We have not yet demonstrated an ability to obtain marketing approval, manufacture a commercial scale product, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history or a history of successfully developing, obtaining marketing approval for, and commercializing CRS treatments.

In addition, we may encounter unforeseen expenses, difficulties, complications, delays, and other known and unknown obstacles. We will eventually need to transition from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

As we continue to build our business, we expect our financial condition and operating results may fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any particular quarterly or annual period as indications of future operating performance.

We have incurred significant losses since inception and expect to incur significant additional losses for the foreseeable future. We may never achieve or maintain profitability.

We have incurred significant operating losses in each year since our inception, including operating losses of approximately $14.5 million and $11.0 million for the three months ended June 30, 2022 and 2021, respectively, and $21.5 million and $18.8 million for the six months ended June 30, 2022 and 2021. In addition, we have not commercialized any products and have never generated any revenue from product sales. We have devoted almost all of our financial resources to research and development, including our pre-clinical development activities.

In addition, we expect to continue to incur significant additional operating losses for the foreseeable future as we seek to advance product candidates through pre-clinical and clinical development, expand our research and development activities, develop new product candidates, complete pre-clinical studies and clinical trials, seek regulatory approval, and, if we receive FDA approval, commercialize our products. In order to obtain FDA approval of any product candidate, we must submit to the FDA an NDA demonstrating that the product candidate is safe for humans and effective for its intended use. This demonstration requires significant research and animal tests, which are referred to as non-clinical or pre-clinical studies, as well as human tests, which are referred to as clinical trials. Furthermore, the costs of advancing product candidates into each succeeding clinical phase tend to increase substantially over time. The total costs to advance any of our product candidates to marketing approval in even a single jurisdiction would be substantial. Because of the numerous risks and uncertainties associated with ENT disease treatment product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to begin generating revenue from the commercialization of products or achieve or maintain profitability. Our expenses will also increase substantially if and as we:

- continue the two pivotal Phase 3 ENLIGHTEN clinical trials of our most advanced product candidate, LYR-210;
- continue the Phase 2 BEACON clinical trial of LYR-220;
- continue to discover and develop additional product candidates;
- establish manufacturing and supply chain capacity sufficient to provide commercial quantities of any product candidates for which we may obtain marketing approval;
- seek regulatory and marketing approvals for product candidates that successfully complete clinical trials, if any;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain regulatory approval in geographies in which we plan to commercialize our products ourselves;
- maintain, expand, and protect our intellectual property portfolio;
- hire additional staff, including clinical, scientific, technical, regulatory, operational, financial, commercial, and support personnel, to execute our business plan;
- add clinical, scientific operational, financial, and management information systems and personnel to support our product development and potential future commercialization efforts, and as to enable us to operate as a public reporting company;
- utilize external vendors for support with respect to research, development, commercialization, regulatory, pharmacovigilance, and other functions;
- acquire or in-license other commercial products, product candidates, and technologies;
- expand internationally;
- make royalty, milestone, or other payments under any future in-license agreements;
- implement additional internal systems and infrastructure; and
- operate as a public company.

Furthermore, our ability to successfully develop, commercialize, and license our products and generate product revenue is subject to substantial additional risks and uncertainties. Each of our product candidates will require additional pre-clinical and/or clinical development, potential regulatory approval in multiple jurisdictions, the securing of manufacturing supply, capacity, and expertise, the use of external vendors, the building of a commercial organization, substantial investment, and significant marketing efforts before we generate any revenue from product sales. As a result, we expect to continue to incur net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital.

The amount of future losses and when, if ever, we will achieve profitability are uncertain. We have no products that have generated any commercial revenue, do not expect to generate revenues from the commercial sale of products in the foreseeable future, and might never generate revenues from the sale of products. Our ability to generate revenue and achieve profitability will depend on, among other things, successful completion of the clinical development of our product candidates; obtaining necessary regulatory approvals from the FDA and international regulatory agencies; establishing manufacturing, sales, and market acceptance of our products and marketing infrastructure to commercialize our product candidates for which we obtain approval; and raising sufficient funds to finance our activities. We might not succeed at any of these undertakings. If we are unsuccessful at some or all of these undertakings, our business, prospects, and results of operations may be materially adversely affected.

We will need significant additional funding in order to complete development of and obtain regulatory approval for our product candidates and commercialize our products, if approved. If we are unable to raise capital when needed, we could be forced to delay, reduce, or eliminate our product development programs or commercialization efforts.

We will continue to need additional capital, which we may raise through equity offerings, debt financings, marketing, and distribution arrangements and other collaborations, strategic alliances, and licensing arrangements or other sources. Additional sources of financing might not be available on favorable terms, if at all. If we do not succeed in raising additional funds on acceptable terms, we might be unable to complete planned clinical trials or obtain approval of any of our product candidates from the FDA, or any foreign regulatory authorities, and could be forced to discontinue product development. In addition, attempting to secure additional financing may divert the time and attention of our management from day-to-day activities and harm our product candidate development efforts.

We will require substantial funds to further develop, obtain approval for, and commercialize our product candidates, including LYR-210, for which we have initiated one pivotal Phase 3 clinical trial and plan to commence a second. We will also require substantial funds to further develop, obtain approval for, and commercialize our other product candidate, LYR-220, which is in a Phase 2 clinical trial.

Based on our current operating plan, we believe that our current cash and cash equivalents will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into mid-2024. This estimate is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Changing circumstances could cause us to consume capital significantly faster than we currently anticipate, and we may need to spend more than currently expected because of circumstances beyond our control. Because the length of time and activities associated with successful development of LYR-210 and LYR-220 is highly uncertain, we are unable to estimate the actual funds we will require for development, approval, and any approved marketing and commercialization activities. Our future funding requirements, both near and long-term, will depend on many factors, including, but not limited to:

- the scope and results of our pre-clinical studies and clinical trials, including any unforeseen costs we may incur as a result of pre-clinical study or clinical trial delays due to the COVID-19 pandemic or other causes;
- the timing of, and the costs involved in, obtaining regulatory approvals for LYR-210 and LYR-220;
- the costs and timing of changes in the regulatory environment and enforcement rules;
- the costs and timing in changes in pharmaceutical pricing and reimbursement infrastructure;
- the costs involved in preparing, filing, prosecuting, maintaining, and enforcing patent claims and other patent-related costs, including any litigation costs and the results of such litigation;
- the effect of competing technological and market developments;
- the extent to which we in-license or acquire other products and technologies;
- the cost of establishing sales, marketing, and distribution capabilities for our product candidates in regions where we choose to commercialize our products; and
- the initiation, progress, timing, and results of our commercialization of LYR-210 and LYR-220, if approved for commercial sale.

Depending on our business performance, the economic climate, and market conditions, we may be unable to raise additional funds through any sources. Market volatility resulting from the COVID-19 pandemic or other causes could also adversely impact our ability to access capital as and when needed. If we are unable to obtain adequate funding on a timely basis, we may be required to curtail or discontinue one or more of our development programs for LYR-210 or LYR-220, or to reduce our operations. If we raise additional funds by issuing equity securities, our then-existing stockholders will experience dilution and the terms of any new equity securities may have preference over those of our existing common stock.

Raising additional capital may cause dilution to our stockholders, restrict our operations, or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial revenue, we may finance our cash needs through a combination of equity offerings, debt financings, marketing, and distribution arrangements and other collaborations, strategic alliances, and licensing arrangements. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our operations and our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, redeeming our stock, making certain investments, and engaging in certain merger, consolidation, or asset sale transactions, among other restrictions. If we raise additional funds through additional collaborations, strategic alliances, or marketing, distribution, or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams, or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce, or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

We have no approved products.

To date, we have no approved product on the market and have generated no product revenues. Unless we receive approval from the FDA or other regulatory authorities for our product candidates, we will not have product revenues. Therefore, for the foreseeable future, we will have to fund all of our operations and capital expenditures from cash on hand and licensing fees and grants, if any.

Our product candidates are in various stages of development.

We are a therapeutics company focused on the development and commercialization of novel integrated drug and drug delivery solutions for the localized treatment of patients with ENT diseases. Our product candidates are in clinical development, and favorable results in early-stage clinical trials may not be predictive of success in later clinical trials and may not lead to commercially viable products for any of several reasons. For example, our product candidates may fail to be safe and effective in current or future clinical trials or pre-clinical studies, or we may have inadequate financial or other resources to pursue discovery and development efforts for new product candidates. Our product candidates will require significant additional development, clinical trials, regulatory authorizations, and additional investment by us before they can be commercialized.

Our business is highly dependent on the success of our most advanced product candidate, LYR-210, which will require significant additional clinical testing before we can seek regulatory approval and potentially launch commercial sales. If LYR-210 does not receive regulatory approval or is not successfully commercialized, or is significantly delayed in doing so, our business will be harmed.

A substantial portion of our business and future success depends on our ability to develop, obtain regulatory approval for, and successfully commercialize our most advanced product candidate, LYR-210. We currently have no products that are approved for commercial sale and have not completed the development of any product candidates, and may never be able to develop marketable products. We expect that a substantial portion of our efforts and expenditures over the next few years will be devoted to LYR-210, which will require additional clinical development and potential additional pre-clinical development, management of clinical and medical affairs and manufacturing activities, regulatory approval in multiple jurisdictions, the securing of manufacturing supply, the building of a commercial organization, substantial investment, and significant marketing efforts before we can generate any revenues from any commercial sales. We cannot be certain that LYR-210 will be successful in ongoing or future clinical trials, receive regulatory approval, or be successfully commercialized even if we receive regulatory approval. Even if we receive approval to market LYR-210 from the FDA or other regulatory bodies, we cannot be certain that our product candidates will be successfully

commercialized, widely accepted in the marketplace, or more effective than other commercially available alternatives. Nor can we be certain that, if and when approved, the safety and efficacy profile of LYR-210 or our other product candidates will be consistent with the profiles observed in clinical trials.

We advanced LYR-210 through our Phase 2 randomized, controlled, patient blinded LANTERN clinical trial, evaluating the safety and efficacy in surgically-naïve CRS patients who have failed previous medical management. The trial was designed to enroll 99 evaluable patients with the potential to increase to up to 150 patients and was initiated in May 2019 at sites in Australia, Austria, Czech Republic, New Zealand, and Poland. In December 2019, the FDA authorized our investigational new drug application, and, prior to the COVID-19 pandemic, we planned to enroll patients in the United States. However, in light of developments relating to the COVID-19 pandemic, as described below, we discontinued enrollment at 67 patients in our Phase 2 LANTERN clinical trial and did not enroll any patients in the United States.

On December 7, 2020, we reported top-line results from our Phase 2 LANTERN clinical trial, including that LYR-210 failed to meet the primary endpoint of the trial. We believe this was primarily due to the discontinuation of enrollment related to the COVID-19 pandemic. As a result of the decrease in the number of patients enrolled from planned (99 evaluable) to actually enrolled (67) patients in our Phase 2 LANTERN clinical trial, a greater magnitude of change in composite score of the seven-day average of four cardinal symptoms from baseline at week 4 and/or a smaller standard deviation associated with the change from baseline at week 4 was required in order for the trial to achieve statistical significance for the primary endpoint. There can be no assurance that we will achieve the primary endpoint or any other endpoints in the ENLIGHTEN Phase 3 clinical trials we commence for LYR-210.

Moreover, while we leveraged remote electronic data collection to enable us to complete the clinical assessments and generate sufficient information in our Phase 2 LANTERN clinical trial to commence designing our Phase 3 clinical trial, there can be no assurance that the COVID-19 pandemic or other delays or disruptions will not hinder our electronic data collection or our ability to collect data or measurements requiring sinus imaging to assess reduction in inflammation and phlebotomy to assess pharmacokinetics/pharmacodynamics. For example, we were unable to enroll patients in our Phase 2 LANTERN clinical trial in the United States from whom we intended to collect certain additional pharmacokinetic data due to the COVID-19 pandemic, and as a result, we initiated a separate characterization study in September 2020, as a follow-on to our Phase 2 LANTERN clinical trial, in order to collect such data. The characterization study was a 56-day open label, multi-center, U.S. study of the PK and safety of LYR-210 in adult subjects with chronic rhinosinusitis. The primary objective of the study was to establish the PK profile of LYR-210. The study enrolled 24 patients, half of whom received LYR-210 2,500 µg and the other half received LYR-210 7,500 µg. The study indicated that both doses were safe and well tolerated, with the mean maximum plasma concentration, or Cmax, observed with the 7,500 µg dose well below the Cmax established for FDA-approved formulations of mometasone furoate, or MF. MF blood plasma levels observed during the PK study support LYR-210's ability to deliver consistent and steady dosing over the entire treatment period. There can be no assurance that any future trial we may conduct will not be affected or further affected by the COVID-19 pandemic or other delays and disruptions.

If the required regulatory approvals for LYR-210 are not obtained or are significantly delayed, including as a result of the COVID-19 pandemic, or any approved products are not commercially successful, our business, financial condition, and results of operations may be materially harmed.

LYR-210 is our most advanced product candidate, and if we experience regulatory or developmental issues with respect to LYR-210, our development plans and business could be significantly harmed. Moreover, if we experience similar regulatory or developmental issues with our other pipeline product candidates, our development plans and business could be significantly harmed. Further, our competitors may be developing products with similar mechanisms of action and may experience problems with their products that could identify problems that would potentially harm our business.

Managing our obligations under our license and other strategic agreements may divert management time and attention, causing delays or disruptions to our business.

We have entered into a License and Collaboration Agreement with LianBio Inflammatory Limited on May 31, 2021, or the LianBio License Agreement. The LianBio License Agreement grants an exclusive license to develop and commercialize the Company's product candidate LYR-210, an anti-inflammatory, intra-nasal drug matrix designed to treat chronic rhinosinusitis Disease in Greater China (mainland China, Hong Kong, Macau, and Taiwan), Singapore, South Korea, and Thailand, or the Territory. Furthermore, under the LianBio License Agreement, LianBio has the first right to obtain a license to develop and commercialize Lyra's product candidate LYR-220, an anti-inflammatory, intra-nasal, drug matrix in development for the treatment of chronic rhinosinusitis patients who have undergone a prior sinus surgery but continue to have persistent disease in the Territory. We also may in the future enter into license and strategic agreements, which, subject us to various obligations, including diligence obligations, reporting and notification obligations, payment obligations for achievement of certain milestone as well as other material obligations. We may need to devote substantial time and attention to ensuring that we successfully integrate these transactions into our existing

operations and are compliant with our obligations under these agreements, which may divert management's time and attention away from our research and development programs or other day-to-day activities.

Our license and strategic agreements are also complex and certain provisions in those agreements may be susceptible to multiple interpretations. In the event of any disagreement about the interpretation of these provisions, our management may need to devote a disproportionate amount of its attention to resolving these disagreements. Such disruptions may cause delays in our research and development programs and other business objectives.

Our operating activities may be restricted by certain covenants in our license and strategic agreements, which could limit our development and commercial opportunities.

In connection with our license and strategic agreements, we may agree to and be bound by negative covenants which may limit our development and commercial opportunities. For example, pursuant to the LianBio License Agreement, we made certain covenants to not commercialize a competing product anywhere in the Territory, nor collaborate with, enable, or otherwise authorize, license, or grant any right to any third party to commercialize a competing product anywhere in the Territory, subject to certain carve-outs. We also made certain covenants to grant an exclusive option to LianBio for the development and commercialization of our product candidate, LYR-220, in the Territory. These provisions may inhibit our development efforts, prevent us from forming strategic collaborations to develop and potentially commercialize any other product candidates and may materially harm our business, financial condition, results of operations and prospects.

Failure to obtain marketing approval in international jurisdictions would prevent our products from being marketed in such jurisdictions.

In order to market and sell our products in jurisdictions outside of the United States, we or our third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. Additionally, we may be dependent on third-party collaborators to develop and commercialize our product candidates in certain international jurisdictions, such as in the case of our exclusive license agreement with LianBio for the development and commercialization of LYR-210 in the Territory. In the agreement with LianBio, while we have agreed that we must use commercially reasonable efforts to complete a global Phase III clinical trial for LR-210 and seek regulatory approval for the same in the United States, LianBio must also use commercially reasonable efforts to develop, seek regulatory approval for, and commercialize LYR-210 in the Territory. We or these third parties may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. However, the failure to obtain approval in one jurisdiction may negatively impact our ability to obtain approval in other jurisdictions. We and our third-party collaborators may not be able to file for marketing approvals, and even if we do, we may not obtain necessary approvals to commercialize our medicines in any market.

We have entered into a collaboration, and may enter into collaborations, that place the development and commercialization of our product candidates outside our control, require us to relinquish important rights or may otherwise be on terms unfavorable to us, and if our collaborations are not successful, our product candidates may not reach their full market potential.

Our drug development programs and the potential commercialization of our drug candidates will require substantial additional cash to fund expenses. For some of our drug candidates, we may decide to collaborate with additional pharmaceutical and biotechnology companies for the development and potential commercialization of those drug candidates in selected geographic territories or for selected patient populations. For example, in May 2021, we entered into the LianBio License Agreement to develop and commercialize LYR-210 in the Territory. We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration or successfully maintain a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed or existing collaboration and the proposed or existing collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject drug candidate, the costs and complexities of manufacturing and delivering such drug candidate to patients, the potential of competing drugs, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative drug candidates or technologies for similar indications that may be available to collaborate on and whether such a

collaboration could be more attractive than the one with us for our drug candidate. The terms of any existing or additional collaborations or other arrangements that we may establish may not be favorable to us.

We may not be successful in our efforts to identify and successfully commercialize additional product candidates.

Part of our strategy involves identifying novel product candidates. The process by which we identify product candidates may fail to yield product candidates for clinical development for a number of reasons, including those discussed in these risk factors and also:

- we may not be able to assemble sufficient resources to acquire or discover additional product candidates;
- competitors may develop alternatives that render our potential product candidates obsolete or less attractive;
- potential product candidates we develop may nevertheless be covered by third parties' patents or other exclusive rights;
- potential product candidates may, on further study, be shown to have harmful side effects, toxicities, or other characteristics that indicate that they are unlikely to be products that will receive marketing approval or achieve market acceptance;
- potential product candidates may not be effective in treating their targeted diseases or symptoms;
- the market for a potential product candidate may change so that the continued development of that product candidate is no longer reasonable;
- a potential product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; or
- the regulatory pathway for a potential product candidate is highly complex and difficult to navigate successfully or economically.

In addition, we may choose to focus our efforts and resources on a potential product candidate that ultimately proves to be unsuccessful, or to license or purchase a marketed product that does not meet our financial expectations. As a result, we may fail to capitalize on viable commercial products or profitable market opportunities, be required to forego or delay pursuit of opportunities with other product candidates or other diseases that may later prove to have greater commercial potential, or relinquish valuable rights to such product candidates through collaboration, licensing, or other royalty arrangements in cases in which it would have been advantageous for us to retain sole development and commercialization rights. If we are unable to identify and successfully commercialize additional suitable product candidates, this would adversely impact our business strategy and our financial position.

We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to timely capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing, or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

Risks Related to Discovery, Development, Clinical Testing, Manufacturing, and Regulatory Approval

Clinical trials required for our product candidates are expensive and time-consuming, their outcome is uncertain, and if our clinical trials do not meet safety or efficacy endpoints in these evaluations, or if we experience significant delays in these trials, our ability to commercialize our product candidates and our financial position will be impaired.

We have initiated the pivotal Phase 3 clinical trials for our most advanced product candidate, LYR-210. Additionally, our other product candidate, LYR-220, commenced its Phase 2 BEACON clinical trial in November 2021. It is impossible to predict when or if either of our product candidates will prove effective and safe in humans or if we will receive regulatory approval for any of our product candidates, and the risk of failure through the development process is high. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete pre-clinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans.

Clinical development is a long, expensive, and uncertain process that is subject to significant delays. Due to known or unknown circumstances beyond our control, it may take us several years to complete our testing, and failure can occur at any stage of testing. The outcome of pre-clinical testing and early clinical trials may not be predictive of the results of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. We cannot assure you that any clinical trial that we are conducting, or may conduct in the future, will demonstrate consistent or adequate efficacy and safety to obtain regulatory approval to market our product candidates. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analysis, and many companies that have believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

Delays associated with products for which we are directly conducting pre-clinical studies or clinical trials may cause us to incur additional operating expenses. The commencement and rate of completion of pre-clinical studies or clinical trials may be delayed by, or terminated because of, many factors, including:

- the FDA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our pre-clinical studies or clinical trials;
- failure to obtain regulatory approval to commence a trial;
- failure to reach, or delays in reaching, an agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- slower than expected rates of recruitment of patients or failure to recruit a sufficient number of patients;
- modification of pre-clinical studies or clinical trial protocols;
- changes in regulatory requirements for pre-clinical studies or clinical trials;
- the impact of unusual placebo effects;
- the lack of effectiveness during pre-clinical studies or clinical trials;
- the emergence of unforeseen safety issues or undesirable side effects;
- failure to obtain institutional review board, or the IRB, approval at each site;
- delays, suspension, or termination of clinical trials by the IRB responsible for overseeing the trial at a particular trial site;
- failure of patients in completing a trial or returning for post-treatment follow-up;
- clinical sites deviating from trial protocol, dropping out of a trial, or failing to comply with regulatory requirements;
- failure to address patient safety concerns that arise during the course of a trial;

- failure to manufacture sufficient quantities of product candidate for use in clinical trials;
- government, IRB, or other regulatory delays or "clinical holds" requiring suspension or termination of the trials; and
- business interruptions resulting from the COVID-19 pandemic.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates or significantly increase the cost of such trials, including:

- we may receive feedback from regulatory authorities that requires us to modify the design of our clinical trials;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- we may be unable to enroll a sufficient number of patients in our clinical trials to ensure adequate statistical power to detect any statistically significant treatment effects;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators, IRBs, or independent ethics committees, or IECs, may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site or may require that we or our investigators suspend or terminate clinical trials of our product candidates for various reasons, including non-compliance with regulatory requirements, a finding that our product candidates have undesirable side effects or other unexpected characteristics, or a finding that the participants are being exposed to unacceptable health risks;
- we may experience delays in reaching or fail to reach agreement on acceptable pre-clinical study or clinical trial contracts or pre-clinical study or clinical trial protocols with prospective trial sites;
- the cost of pre-clinical studies or clinical trials of our product candidates may be greater than we anticipate and we may not have funds to cover the costs;
- the supply or quality of our product candidates or other materials necessary to conduct pre-clinical studies or clinical trials of our product candidates may be insufficient or inadequate;
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we anticipate; and
- any current or future collaborators that conduct pre-clinical studies or clinical trials may face any of the above issues, and may conduct pre-clinical studies or clinical trials in ways they view as advantageous to them but that are suboptimal for us.

If we are required to extend the duration of current pre-clinical studies or clinical trials or to conduct additional pre-clinical studies or clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete pre-clinical studies or clinical trials of our product candidates or other testing, if the results of these trials, studies, or tests are not positive or are only modestly positive, if there are safety concerns, or if we determine that the observed safety or efficacy profile would not be competitive in the marketplace, we may:

- incur unplanned costs;
- be delayed in obtaining marketing approval for our product candidates or not obtain marketing approval at all;
- obtain marketing approval in some countries and not in others;

- obtain marketing approval for indications or patient populations that are not as broad as intended or desired;
- obtain marketing approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements; or
- have the product removed from the market after obtaining marketing approval.

We could encounter delays if a clinical trial is materially modified, suspended, or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by the Data Safety Monitoring Board, or DSMB, for such trial, or by the FDA or other regulatory authorities. Such authorities may impose a material modification, suspension, or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects for our product candidates, or other products or product candidates in the same drug class, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions, or lack of adequate funding to continue the clinical trial. Furthermore, we may rely on CROs and clinical trial sites to ensure the proper and timely conduct of clinical trials and while we would have agreements governing their committed activities, we would have limited influence over their actual performance, as described in "—Risks Related to Our Dependence on Third Parties."

Our most advanced product candidate, LYR-210, is in clinical development and will require the completion of clinical testing before we are prepared to submit an NDA for regulatory approval. We cannot predict if or when we might complete the development of LYR-210 and submit an NDA or whether any such NDA will be approved by the FDA. We may also seek feedback from the FDA or other regulatory authorities on our clinical development programs, and the FDA or such regulatory authorities may not provide such feedback on a timely basis, or such feedback may not be favorable, which could further delay our development programs. If the results of ongoing and future clinical trials for LYR-210 are positive, we plan to submit an NDA in the United States. However, no assurance can be given that we will be successful in the near term, obtain regulatory approval, or have any commercial sales of LYR-210.

Any clinical test may fail to produce results satisfactory to the FDA or foreign regulatory authorities. For example, our Phase 2 LANTERN clinical study for LYR-210 did not meet its primary endpoint and the FDA may not find such result to be sufficient to advance to a Phase 3 pivotal study. Pre-clinical and clinical data can be interpreted in different ways by different reviewers and regulators, which could delay, limit, or prevent regulatory approval. Drug-related adverse events during a pre-clinical study or clinical trial could cause us to repeat a trial or study, perform an additional trial or study, expand the size and/or duration of a trial or study, terminate a trial or study, or even cancel a pre-clinical or clinical program. The failure of pre-clinical studies or clinical trials to demonstrate safety and effectiveness for the desired indications could harm the development of that product candidate and other product candidates. This failure could cause us to abandon a product candidate and could delay development of other product candidates. Any delay in, or termination of, our clinical trials would delay the filing of our NDAs with the FDA and, ultimately, our ability to commercialize our product candidates and generate product revenues. A number of companies in the biotechnology and pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Even if our future and ongoing pre-clinical studies and clinical trials are completed as planned, we cannot be certain that their results will support the safety and effectiveness of LYR-210, LYR-220, and/or any future product candidate.

If we experience delays in the commencement or completion of, or have to extend or expand, our pre-clinical studies or clinical trials, or if we terminate a pre-clinical study or clinical trial prior to completion, the commercial prospects of LYR-210, LYR-220, or any future product candidate could be harmed, and our ability to generate revenues from LYR-210, LYR-220, or any future product candidate may be delayed. In addition, any delays in our pre-clinical studies or clinical trials could increase our costs, slow down the development and approval process, and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition, and results of operations. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of pre-clinical studies or clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

Our pre-clinical studies and clinical trials may fail to demonstrate adequately the safety and efficacy of any of our product candidates and the development of our product candidates may be delayed or unsuccessful, which could prevent or delay regulatory approval and commercialization.

Both of our current product candidates are in clinical development. Notwithstanding the data obtained to date with respect to LYR-210 and LYR-220 in CRS, LYR-210 and LYR-220 will require additional clinical and non-clinical development, regulatory review and approval in multiple jurisdictions, substantial investment, access to sufficient commercial manufacturing capacity, and significant marketing efforts before we can generate any revenue from our product sales. In addition, if we encounter safety or efficacy problems, developmental delays or regulatory issues, delays caused by the COVID-19 pandemic, or other problems, our developmental plans and business could be significantly harmed. For example, our Phase 2 LANTERN clinical trial for LYR-210 failed to meet its primary endpoint which may delay our overall commercialization efforts.

If the development of LYR-210, LYR-220, or any other future product candidate is unsuccessful, our ability to generate revenues will be adversely affected. Our development of current and future product candidates is subject to the risks of failure and delay inherent in the development of new products and product candidates, including:

- delays in product development, pre-clinical, or clinical testing or manufacturing;
- unplanned expenditures in product development, pre-clinical, or clinical testing or manufacturing;
- failure to receive regulatory approvals;
- failure to secure rights from third parties for new technology;
- failure to achieve market acceptance; and
- emergence of superior or equivalent products.

In addition, product candidates in later stages of clinical trials may fail to show the desired safety profiles and efficacy results despite having progressed through pre-clinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Based upon negative or inconclusive results, we may decide, or regulators may require us, to conduct additional clinical trials or pre-clinical studies. In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may delay, limit, or prevent regulatory approval.

Additionally, we have not conducted, nor do we believe we are required to conduct, any head-to-head trials comparing LYR-210 to other approved or experimental treatments for CRS. Any such head-to-head trial, if conducted, may show that LYR-210 is not more effective than any of such other drugs. Material adverse differences in the relative efficacy of LYR-210 could significantly harm the adoption of LYR-210 and our business prospects.

Because of these risks, our research and development efforts may not result in any commercially viable products. If a significant portion of these development efforts are not successfully completed, required regulatory approvals are not obtained, or any approved products are not commercially successful, our business, financial condition, and results of operations may be materially harmed.

Success in pre-clinical or earlier clinical trials may not be indicative of results in future clinical trials.

Success in pre-clinical studies and early clinical trials does not ensure that later clinical trials will generate the same results or otherwise provide adequate data to demonstrate the efficacy and safety of a product candidate. Pre-clinical studies and Phase 1 and Phase 2 clinical trials are primarily designed to test safety, study pharmacokinetics and pharmacodynamics, and understand the side effects of product candidates at various doses and schedules. Success in pre-clinical studies and early clinical trials does not ensure that later, large-scale efficacy trials will be successful nor does it predict final results. Our product candidates may fail to show the desired safety and efficacy in clinical development despite positive results in pre-clinical studies or having successfully advanced through initial clinical trials. For example, our Phase 2 LANTERN clinical trial for LYR-210 failed to meet its primary endpoint and we may be required to conduct additional trials to evaluate the efficacy of this product candidate beyond those trials we currently anticipate.

In addition, the design of a clinical trial can determine whether its results will support approval of a product, and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. As an organization, we have limited experience designing clinical trials and may be unable to design and execute a clinical trial to support regulatory approval. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in pre-clinical studies and earlier-stage clinical trials. Data obtained from pre-clinical and clinical activities are subject to varying interpretations, which may delay, limit, or prevent regulatory approval. In addition, we may experience regulatory delays or rejections as a result of many factors, including changes in regulatory policy during the period of our product candidate development. Any such delays could negatively impact our business, financial condition, results of operations, and prospects.

If the FDA does not conclude that certain of our product candidates satisfy the requirements for the Section 505(b)(2) regulatory approval pathway, or if the requirements for such product candidates under Section 505(b)(2) are not as we expect, the approval pathway for those product candidates may likely take significantly longer, cost significantly more, and entail significantly greater complications and risks than anticipated, and in either case may not be successful.

We intend to seek FDA approval for our current product candidates, LYR-210 and LYR-220, and we may seek FDA approval for future product candidates, through the Section 505(b)(2) regulatory pathway. The Drug Price Competition and Patent Term Restoration Act of 1984, also known as the Hatch-Waxman Amendments, added Section 505(b)(2) to the Federal Food, Drug and Cosmetic Act, or FDCA. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from trials that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference. Section 505(b)(2), if applicable to us under the FDCA, would allow an NDA we submit to the FDA to rely in part on data in the public domain or the FDA's prior conclusions regarding the safety and effectiveness of approved drugs, which could expedite the development program for our product candidates by potentially decreasing the amount of clinical data that we would need to generate in order to obtain FDA approval. If the FDA does not allow us to pursue the Section 505(b)(2) regulatory pathway as we anticipate, we may need to conduct additional clinical trials, provide additional data and information, and meet additional standards for regulatory approval. If this were to occur, the time and financial resources required to obtain FDA approval for our product candidates, and complications and risks associated with the development of our product candidates, would likely substantially increase. Moreover, inability to pursue the Section 505(b)(2) regulatory pathway could result in competitive products reaching the market before our product candidates, which could impact our competitive position and prospects. Even if we are allowed to pursue the Section 505(b)(2) regulatory pathway, we cannot assure you that our product candidates will receive the requisite approvals for commercialization, or that a competitor would not obtain approval first along with subsequent market exclusivity from the FDA, thereby delaying potential approval of our product.

In addition, the pharmaceutical industry is highly competitive, and Section 505(b)(2) NDAs are subject to special requirements designed to protect the patent rights of sponsors of previously approved drugs that are referenced in a Section 505(b)(2) NDA. These requirements may give rise to patent litigation and mandatory delays in approval of our NDAs for up to 30 months or longer depending on the outcome of any litigation. It is not uncommon for a manufacturer of an approved product to file a citizen petition with the FDA seeking to delay approval of, or impose additional approval requirements for, pending competing products. If successful, such petitions can significantly delay, or even prevent, the approval of the new product. However, even if the FDA ultimately denies such a petition, the FDA may substantially delay approval while it considers and responds to the petition. In addition, even if we are able to utilize the Section 505(b)(2) regulatory pathway, there is no guarantee this would ultimately lead to accelerated product development or earlier approval.

Moreover, even if our product candidates are approved under Section 505(b)(2), the approval may be subject to limitations on the indicated uses for which the products may be marketed or to other conditions of approval, or may contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the products.

We have conducted, are conducting, and, in the future, may conduct clinical trials for our product candidates in sites outside the United States, and the FDA may not accept data from trials conducted in foreign locations.

We have conducted and are conducting clinical trials for LYR-210 outside the United States, specifically in Australia, Austria, Czech Republic, New Zealand, and Poland, and we may in the future choose to conduct other clinical trials outside the United States for LYR-210, LYR-220, or any of our other future product candidates. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of this data is subject to certain conditions imposed by the FDA. For example, the clinical trial must be well designed and conducted and performed by qualified investigators in accordance with good clinical practice, or GCP, including review and approval by an IEC and receipt of informed consent from subjects. In general, the patient population for any clinical trials conducted outside of the United States must be representative of the population for which we intend to seek approval for the product in the United States. In addition, while these clinical trials are subject to the applicable local laws, FDA acceptance of the data will be dependent upon its determination that the trials also complied with all applicable U.S. laws and regulations. There can

be no assurance the FDA will accept data from trials conducted outside of the United States. If the FDA does not accept the data from our clinical trials of our product candidates, it would likely result in the need for additional trials, which would be costly and time-consuming and delay or permanently halt our development of our product candidates.

In addition, there are risks inherent in conducting clinical trials in multiple jurisdictions, inside and outside of the United States, such as:

- regulatory and administrative requirements of the jurisdiction where the trial is conducted that could burden or limit our ability to conduct our clinical trials;
- foreign exchange fluctuations;
- manufacturing, customs, shipment, and storage requirements;
- cultural differences in medical practice and clinical research; and
- the risk that the patient populations in such trials are not considered representative as compared to the patient population in the target markets where approval is being sought.

Interim and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim or preliminary data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Interim or preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Differences between interim or preliminary data and final data could significantly harm our business prospects.

LYR-210 and LYR-220 are drug-device combinations, which may result in additional regulatory and other risks.

LYR-210 and LYR-220 are drug-device combination products. We may experience delays in obtaining regulatory approval of these product candidates given the increased complexity of the review process when approval of a drug and a delivery device is sought under a single marketing application. Both LYR-210 and LYR-220 will be regulated as drug-device combination products, which require coordination within the FDA and similar foreign regulatory agencies for review of the product candidates' device and drug components. The determination whether a combination product requires a single marketing application or two separate marketing applications for each component is made by the FDA on a case-by-case basis. Although we believe a single marketing application for the approval of a combination product would be successful, there can be no assurance that the FDA will not determine that separate marketing applications are necessary. This determination could significantly increase the resources and time required to bring a particular combination product to market. Although the FDA and similar foreign regulatory agencies have systems in place for the review and approval of combination products such as ours, we may experience delays in the development and commercialization of our product candidates due to regulatory timing constraints and uncertainties in the product development and approval process, as well as coordination between two different centers within FDA responsible for review of the different components of the combination product.

Failure to successfully develop or supply the device component, delays in or failure of the studies conducted by us, our collaborators, or third-party providers, or failure of our Company, our collaborators, or third-party providers to obtain or maintain regulatory approval or clearance of the device component of LYR-210 or LYR-220, as appropriate, could result in increased development costs, delays in or failure to obtain regulatory approval, and associated delays in these product candidates reaching the market. Further, failure to successfully develop or supply the device, or to gain or maintain its approval, could adversely affect sales of LYR-210 and LYR-220.

If we fail to obtain the necessary U.S. regulatory approvals to commercialize any product candidate, we will not be able to generate revenue in the U.S. market.

We cannot assure you that we will receive the approvals necessary to commercialize our product candidates, or any product candidate we acquire or develop in the future. We will need FDA approval to commercialize our product candidates in the United States and approvals from equivalent regulatory authorities in foreign jurisdictions to commercialize our product candidates in those jurisdictions. Satisfaction of the FDA's regulatory requirements typically takes many years, depends upon the type, complexity, and novelty of the product candidate, and requires substantial resources for research, development, and testing. We cannot predict whether our research and clinical efforts will result in drugs that the FDA will determine are safe for humans and effective for their intended uses. The FDA has substantial discretion in the drug approval process and may require us to conduct additional pre-clinical and clinical testing, perform post-marketing studies, address manufacturing concerns, or otherwise limit or impose conditions on any approval we obtain. The approval process may also be delayed by changes in government regulation, the impact of the COVID-19 pandemic, future legislation or administrative action, or changes in FDA policy that occur prior to or during our regulatory review. Delays in obtaining regulatory approvals may:

- delay commercialization of, and our ability to derive product revenues from, our product candidates;
- impose costly procedures on us; and
- diminish any competitive advantages that we may otherwise enjoy.

Even if we receive approval of an NDA or comparable foreign regulatory filing for our product candidates, the FDA or the applicable foreign regulatory body may approve our product candidates for a more limited indication than we originally requested, and the FDA may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our product candidates.

Even if we comply with all FDA requests, the FDA may ultimately reject one or more of our NDAs. We cannot be sure that we will ever obtain regulatory clearance for our product candidates. Failure to obtain FDA approval of our product candidates will severely undermine our business by leaving us without a commercially available product, and therefore without any source of revenues, until another product candidate can be developed or obtained and ultimately approved. There is no guarantee that we will ever be able to develop or acquire another product candidate or that we will be able to obtain FDA approval to commercialize such product candidate.

Even if we obtain FDA approval for our product candidates in the United States, we may never obtain approval for or commercialize them in any other jurisdiction, which would limit our ability to realize their full market potential.

We intend, either on our own or through collaborations or partnerships, to market our products in international markets. In order to market any products in the European Union and many other foreign jurisdictions, we must establish and comply with numerous and varying regulatory requirements on a country-by-country basis regarding safety and efficacy. Approval by the FDA in the United States does not ensure approval by regulatory authorities in other countries or jurisdictions. However, the failure to obtain approval in one jurisdiction may negatively impact our ability to obtain approval elsewhere. In addition, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country.

Approval processes vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking foreign regulatory approval could result in difficulties and increased costs for us and require additional pre-clinical studies or clinical trials which could be costly and time consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our products in those countries. We do not have any product candidates approved for sale in any jurisdiction, including in international markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approvals in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of any product we develop will be unrealized.

The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, costly, time-consuming, and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed. We cannot predict when or if, and in which territories, we, or any of our potential future collaborators, will obtain marketing approval to commercialize a product candidate.

The time required to obtain approval by the FDA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including substantial discretion of regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that neither LYR-210, LYR-220, nor any future product candidates we may seek to develop in the future will ever obtain regulatory approval. Neither we nor any future collaborator is permitted to market any of our product candidates in the United States until we receive regulatory approval of an NDA from the FDA. It is possible that the FDA may refuse to accept for substantive review any NDAs that we submit for our product candidates or may conclude after review of our data that our application is insufficient to obtain marketing approval of our product candidates.

Prior to obtaining approval to commercialize a product candidate in the United States or abroad, we or our collaborators must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA or foreign regulatory agencies, that such product candidates are safe and effective for their intended uses in patients. Results from non-clinical studies and clinical trials can be interpreted in different ways. Even if we believe the non-clinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. The FDA may also require us to conduct additional pre-clinical studies or clinical trials for our product candidates either prior to or post-approval, or it may object to elements of our clinical development program. Depending on the extent of these or any other FDA-required studies, approval of any NDA or other application that we submit may be delayed by several years, or may require us to expend significantly more resources than we have available.

Of the large number of potential products in development, only a small percentage successfully complete the FDA or foreign regulatory approval processes and are commercialized. The lengthy and costly approval process as well as the unpredictability of future clinical trial results may result in our failing to obtain regulatory approval to market our product candidates, which would significantly harm our business, results of operations, and prospects.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA or comparable foreign regulatory authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authorities, as the case may be, and may ultimately lead to the denial of marketing approval of one or more of our product candidates.

Separately, in response to the COVID-19 pandemic, on March 10, 2020, the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products through April 2020, and on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities. Subsequently, on July 10, 2020, the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to resumption of all regulatory activities. Additionally, on April 15, 2021, the FDA issued a guidance document in which the FDA described its plans to conduct voluntary remote interactive evaluations of certain drug manufacturing facilities and clinical research sites. According to the guidance, the FDA intends to request such remote interactive evaluations in situations where an in-person inspection would not be prioritized, deemed mission-critical, or where direct inspection is otherwise limited by travel restrictions, but where the FDA determines that remote evaluation would be appropriate. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic, including providing guidance regarding the conduct of clinical trials. If global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

If we encounter delays or difficulties enrolling patients in our clinical trials, our clinical development activities and receipt of regulatory approvals could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion. For example, we were unable to enroll patients in our Phase 2 LANTERN clinical trial in the United States from whom we intended to collect certain additional pharmacokinetic data due to the COVID-19 pandemic, and, as a result, we initiated a separate characterization study in September 2020 as a follow-on to our Phase 2 LANTERN clinical trial in order to collect such data. Trials may be subject to delays as a result of patient enrollment taking longer than anticipated or patient withdrawal. We may encounter delays in enrolling, or be unable to enroll, a sufficient number of patients to complete any of our clinical trials, and even once enrolled we may be unable to retain a sufficient number of patients to complete any of our trials. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. We cannot predict how successful we will be at enrolling subjects in future clinical trials. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the proximity of patients to trial sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- the perceived risks and benefits of the product candidate in the trial;
- the availability of alternative therapies;
- our ability to obtain and maintain patient consents;
- the risk that patients enrolled in clinical trials will drop out of the trials before completion; and
- the impact of the ongoing COVID-19 pandemic.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials in such clinical trial site.

Delays or failures in planned patient enrollment or retention may result in increased costs, program delays, or both, which could have a harmful effect on our ability to develop LYR-210, LYR-220, and/or any other future product candidates, or could render further development impossible.

Our product candidates may cause serious adverse events or undesirable side effects including injury and death or have other properties which may delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval. If any of our product candidates receives marketing approval and we, or others, later discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, our ability, or that of any potential future collaborators, to market the drug could be compromised.

Before obtaining regulatory approvals for the commercial sale of our product candidates, we must demonstrate through lengthy, complex, and expensive pre-clinical testing and clinical trials that our product candidates are both safe and effective for use in each target indication, and failures can occur at any stage of testing. Clinical trials often fail to demonstrate safety and efficacy of the product candidate studied for the target indication. Serious adverse events, or SAEs, or undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay, or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign authorities. Results of our clinical trials or pre-clinical studies could reveal a high and unacceptable severity and prevalence of side effects, toxicities, or unexpected characteristics, including death. For example, in our Phase 1 clinical trial for our most advanced product candidate, LYR-210, there was one SAE in the active group (acute myocardial infarction), which was considered not related to LYR-210. For more information, see "Business—LYR-210 for the Treatment of CRS—Overview of Our Clinical Development for LYR-210" in our Annual Report on Form 10-K filed with the SEC on March 9, 2022.

In addition, subjects treated with LYR-210 have experienced adverse events, including epistaxis, rhinitis, rhinorrhea, facial pain, nasopharyngitis, sinusitis, upper respiratory tract infection, procedural headache, nasal discomfort, and nasal odor, among others. In our Phase 2 LANTERN clinical trial, treatment-related adverse events were reported in 16 patients, and all treatment-related adverse events except one (increased viscosity of upper respiratory secretion) were mild or moderate in nature. In addition, there was one patient in the LYR-210 (2,500 µg) group who had a serious adverse event of Acarodermatitis in our Phase 2 LANTERN clinical trial, which was deemed to be not related to treatment.

If unacceptable side effects arise in the development of our product candidates, we, the FDA, the IRBs at the institutions in which our studies are conducted, or DSMB, could materially modify, suspend, or terminate our clinical trials or the FDA or comparable foreign regulatory authorities could order us to cease pre-clinical studies or clinical trials, require us to conduct additional animal or human studies regarding the safety and efficacy of our product candidates which we have not planned or anticipated, or deny approval of our product candidates for any or all targeted indications. Many product candidates that initially showed promise in early-stage testing have later been found to cause side effects that prevented further development of the product candidate. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We currently train and expect to have to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may harm our business, financial condition, and prospects significantly.

If any of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by any such product, including during any long-term follow-up observation period recommended or required for patients who receive treatment using our products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw approvals of such product;
- we may be required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product;
- regulatory authorities may require additional warnings on the label, such as a "black box" warning or contraindication;
- regulatory authorities may require long-term patient registries for the product;
- we may be required to implement a Risk Evaluation and Mitigation Strategy, or REMS, or create a medication guide outlining the risks of such side effects for distribution to patients;
- the product could become less competitive;
- we could be sued and held liable for harm caused to patients; and

- our reputation may suffer.

There can be no assurance that we will resolve any issues related to any product-related adverse events to the satisfaction of the FDA or any regulatory agency in a timely manner or at all. Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations, and prospects.

Changes in methods of product candidate manufacturing or formulation may result in additional costs or delay.

As product candidates proceed through pre-clinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commence sales and generate revenue.

Our insurance policies are expensive and protect us only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include general liability, employment practices liability, and property, auto, workers' compensation, umbrella, and directors' and officers' insurance.

Any additional product liability insurance coverage we acquire in the future may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If we obtain marketing approval for LYR-210 and/or LYR-220, we intend to acquire insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. A successful product liability claim or series of claims brought against us could cause our share price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business, including preventing or limiting the development and commercialization of any product candidates we develop. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty, and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended.

Operating as a public company has made it more difficult and more expensive for us to obtain director and officer liability insurance, and in the future we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees, or as executive officers. We do not know, however, if we will be able to maintain existing insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our cash position and results of operations.

Our employees and independent contractors, including principal investigators, CROs, consultants, vendors, and any third parties we may engage in connection with research, development, regulatory, manufacturing, quality assurance, and other pharmaceutical functions and commercialization may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business.

Misconduct by our employees and independent contractors, including principal investigators, CROs, consultants, vendors, and any third parties we may engage in connection with research, development, regulatory, manufacturing, quality assurance, and other pharmaceutical functions and commercialization, could include intentional, reckless, or negligent conduct or unauthorized activities that violate: (i) the laws and regulations of the FDA, the European Medicines Agency, or the EMA, and other similar regulatory authorities, including those laws that require the reporting of true, complete, and accurate information to such authorities; (ii) manufacturing standards; (iii) data privacy, security, fraud and abuse, and other healthcare laws and regulations; or (iv) laws that require the reporting of true, complete, and accurate financial information and data. Specifically, sales, marketing, and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing,

discounting, marketing and promotion, sales commission, customer incentive programs, and other business arrangements. Activities subject to these laws could also involve the improper use or misrepresentation of information obtained in the course of pre-clinical studies or clinical trials, creation of fraudulent data in pre-clinical studies or clinical trials, or illegal misappropriation of drug product, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. Additionally, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant civil, criminal, and administrative penalties, damages, monetary fines, disgorgements, possible exclusion from participation in Medicare, Medicaid, other U.S. federal healthcare programs or healthcare programs in other jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, individual imprisonment, other sanctions, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations.

Our business and operations would suffer in the event of system failures.

Our computer systems, as well as those of our CROs and other contractors, vendors, suppliers, and consultants, are vulnerable to damage from computer viruses, unauthorized access, natural disasters (including hurricanes), terrorism, war (including the war between Russia and Ukraine), and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product candidate development programs and our business. For example, the loss of pre-clinical studies or clinical trial data from completed, ongoing, or planned trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to our data or applications, or inappropriate disclosure of personal, confidential, or proprietary information, we could incur liability and the further development of LYR-210, LYR-220, or any other product candidate could be delayed.

In the ordinary course of our business, we directly or indirectly collect and store sensitive data, including intellectual property, confidential information, pre-clinical and clinical trial data, proprietary business information, personal data, and personally identifiable health information of our clinical trial subjects and employees, in our data centers and on our networks, or on those of third parties. The secure processing, maintenance, and transmission of this information is critical to our operations. Despite our security measures, our information technology and infrastructure has been and, from time to time, may be vulnerable to attacks by hackers or internal bad actors, or breached due to employee error, a technical vulnerability, malfeasance, or other disruptions. For example, companies have experienced an increase in phishing and social engineering attacks from third parties in connection with the COVID-19 pandemic. Although, to our knowledge, we have not experienced any material security breach to date, any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, or significant regulatory penalties, and such an event could disrupt our operations, damage our reputation, and cause a loss of confidence in us and our ability to conduct clinical trials, which could adversely affect our business reputation and delay our clinical development of our product candidates.

Risks Related to Healthcare Laws and Other Legal Compliance Matters

We will be subject to extensive and costly government regulation.

Product candidates employing our technology will be subject to extensive and rigorous domestic government regulation including regulation by the FDA, the Centers for Medicare and Medicaid Services, or CMS, other divisions of the United States Department of Health and Human Services, the United States Department of Justice, state and local governments, and their respective equivalents outside of the United States. The FDA regulates the research, development, pre-clinical and clinical testing, manufacture, safety, effectiveness, record-keeping, reporting, labeling, packaging, storage, approval, advertising, promotion, sale, distribution, import, and export of pharmaceutical products. If products employing our technologies are marketed abroad, they will also be subject to extensive regulation by foreign governments, whether or not they have obtained FDA approval for a given product and its uses. Such foreign regulation may be equally or more demanding than corresponding United States regulation.

Government regulation substantially increases the cost and risk of researching, developing, manufacturing, and selling our products. The regulatory review and approval process, which includes pre-clinical testing and clinical trials of each product candidate, is lengthy, expensive, and uncertain. We or our collaborators must obtain and maintain regulatory authorization to conduct pre-clinical studies and clinical trials. We or our collaborators must obtain regulatory approval for each product we intend to market, and the manufacturing facilities used for the products must be inspected and meet legal requirements. Securing regulatory approval requires

the submission of extensive pre-clinical and clinical data and other supporting information for each proposed therapeutic indication in order to establish the product's safety and efficacy, potency, and purity, for each intended use. The development and approval process takes many years, requires substantial resources, and may never lead to the approval of a product.

Even if we are able to obtain regulatory approval for a particular product, the approval may limit the indicated medical uses for the product, may otherwise limit our ability to promote, sell, and distribute the product, may require that we conduct costly post-marketing surveillance, and/or may require that we conduct ongoing post-marketing studies. Material changes to an approved product, such as, for example, manufacturing changes or revised labeling, may require further regulatory review and approval. Once obtained, any approvals may be withdrawn, including, for example, if there is a later discovery of previously unknown problems with the product, such as a previously unknown safety issue.

If we, our collaborators, consultants, contract manufacturers, CROs, or other vendors fail to comply with applicable regulatory requirements at any stage during the regulatory process, such noncompliance could result in, among other things, delays in the approval of applications or supplements to approved applications; refusal of a regulatory authority, including the FDA, to review pending market approval applications or supplements to approved applications; warning letters; fines; import and/or export restrictions; product recalls or seizures; injunctions; total or partial suspension of production; civil penalties; withdrawals of previously approved marketing applications or licenses; recommendations by the FDA or other regulatory authorities against governmental contracts; and/or criminal prosecutions.

Enacted and future healthcare legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and could adversely affect our business.

In the United States, the EU, and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes to the healthcare system that could prevent or delay marketing approval of our products in development, restrict or regulate post-approval activities involving any product candidates for which we obtain marketing approval, impact pricing and reimbursement, and impact our ability to sell any such products profitably. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. In addition, new regulations and interpretations of existing healthcare statutes and regulations are frequently adopted.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA, was enacted, which substantially changed the way healthcare is financed by both governmental and private insurers. Among the provisions of the ACA, those of greatest importance to the pharmaceutical and biotechnology industries include the following:

- an annual, non-deductible fee payable by any entity that manufactures or imports certain branded prescription drugs and biologic agents (other than those designated as orphan drugs), which is apportioned among these entities according to their market share in certain government healthcare programs;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- new requirements to report certain financial arrangements with physicians and teaching hospitals, including reporting "transfers of value" made or distributed to prescribers and other healthcare providers and reporting investment interests held by physicians and their immediate family members;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected;
- extension of a manufacturer's Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;

- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and

- establishment of a Center for Medicare Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. On March 2, 2020, the U.S. Supreme Court granted the petitions for writs of certiorari to review the constitutionality of the ACA, although it is unclear when or how the Supreme Court will rule. It is also unclear how other efforts to challenge, repeal, or replace the ACA will impact the law and may impact our business or financial condition.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011 resulted in aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the temporary suspension from May 1, 2020 through December 31, 2021, unless additional action is taken by Congress. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers, and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws or any other similar laws introduced in the future may result in additional reductions in Medicare and other healthcare funding, which could negatively affect our customers and accordingly, our financial operations.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, and review the relationship between pricing and manufacturer patient programs. While any proposed measures will require authorization through additional legislation to become effective, Congress has indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Legally-mandated price controls on payment amounts by third-party payors or other restrictions could harm our business, results of operations, financial condition, and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates or put pressure on our product pricing.

In the EU, similar political, economic, and regulatory developments may affect our ability to profitably commercialize our product candidates, if approved. In addition to continuing pressure on prices and cost containment measures, legislative developments at the EU or member state level may result in significant additional requirements or obstacles that may increase our operating costs. The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of healthcare and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities, and affect our ability to commercialize our product candidates, if approved.

In markets outside of the United States and the EU, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies.

In addition, legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA's regulations, guidance, or interpretations will be changed, or what the impact of such changes on the marketing

approvals of our product candidates, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

We cannot predict the likelihood, nature, or extent of government regulation that may arise from future legislation or administrative action in the United States, the EU, or any other jurisdiction. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

Even if we receive regulatory approval of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates.

Any product candidate for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, packaging, distribution, adverse event reporting, storage, recordkeeping, export, import, and advertising and promotional activities for such product, among other things, will be subject to extensive and ongoing requirements of and review by the FDA, the EMA, and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, establishment registration and drug listing requirements, continued compliance with current good manufacturing practice, or cGMP, requirements relating to manufacturing, quality control, quality assurance, and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians, and recordkeeping and GCP requirements for any clinical trials that we conduct post-approval. In addition, the sponsor of an approved NDA is subject to periodic inspections and other FDA monitoring and reporting obligations, including obligations to monitor and report adverse events and other information such as the failure of a product to meet the specifications in the NDA. NDA sponsors must submit new or supplemental applications and obtain FDA approval for certain changes to the approved product, product labeling, or manufacturing process. Application holders must also submit advertising and other promotional material to the FDA and report on ongoing clinical trials. The FDA may require changes in the labeling of already approved drug products and require that sponsors conduct post-marketing studies. Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production, and quality control.

Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, including the requirement to implement a REMS, which could include requirements for a medication guide, physician communication plans, or additional elements to ensure safe use, such as restricted distribution methods, patient registries, and other risk mitigation tools. If any of our product candidates receives marketing approval, the accompanying label may limit the approved use of our product, which could limit sales of the product.

The FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of our approved products. In addition, advertising and promotional materials must comply with FDA rules in addition to other potentially applicable federal and state laws. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure they are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use, and if we market our products outside of their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the FDA's restrictions relating to the promotion of prescription products may also lead to investigations alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws.

The distribution of product samples to physicians must comply with the requirements of the FDCA. NDA sponsors must obtain FDA approval for product, manufacturing, and labeling changes, depending on the nature of the change. Depending on the circumstances, failure to meet these post-approval requirements can result in criminal prosecution, fines, injunctions, consent decrees of permanent injunction, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, or refusal to allow us to enter into supply contracts, including government contracts.

In addition, later discovery of previously unknown adverse events or other problems with our products, manufacturers, or manufacturing processes, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on manufacturing such products;
- restrictions on the labeling or marketing of a product;

- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or holds on clinical trials;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution, or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure or detention; or
- injunctions or the imposition of civil or criminal penalties.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenues. If regulatory sanctions are applied or if regulatory approval is withheld or withdrawn, the value of our Company and our operating results will be adversely affected.

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit, or delay regulatory approval of LYR-210, LYR-220, and/or any other future product candidate. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained which would adversely affect our business, prospects, and ability to achieve or sustain profitability.

Changes in funding for the FDA and other government agencies could hinder their ability to hire and retain key leadership and other personnel, or otherwise prevent new products and services from being developed, approved, or commercialized in a timely manner, or at all, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes, and other events that may otherwise affect the government agency's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical employees and stop critical activities.

Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products through April 2020, and on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities. Subsequently, on July 10, 2020, the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA utilized this risk-based assessment system to assist in determining when and where it was safe to conduct prioritized domestic inspections. Additionally, on April 15, 2021, the FDA issued a guidance document in which the FDA described its plans to conduct voluntary remote interactive evaluations of certain drug manufacturing facilities and clinical research sites, among other facilities. According to the guidance, the FDA may request such remote interactive evaluations in situations where an in-person inspection would not be prioritized, deemed mission-critical, or where direct inspection is otherwise limited by travel restrictions, but where the FDA determines that remote evaluation would be appropriate. In May 2021, the FDA outlined a detailed plan to move

toward a more consistent state of inspectional operations, and in July 2021, the FDA resumed standard inspectional operations of domestic facilities and was continuing to maintain this level of operation as of September 2021. More recently, the FDA has continued to monitor and implement changes to its inspectional activities to ensure the safety of its employees and those of the firms it regulates as it adapts to the evolving COVID-19 pandemic. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic, including providing guidance regarding the conduct of clinical trials. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns or delays could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Our business operations and current and future relationships with investigators, healthcare professionals, consultants, third-party payors, patient organizations, and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations, and customers, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell, and distribute our product candidates, if approved. Such laws include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving, or providing any remuneration (including any kickback, bribe, or certain rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order, or recommendation of, any good, facility, item, or service, for which payment may be made, in whole or in part, under U.S. federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the U.S. federal civil and criminal false claims laws, including the civil False Claims Act, which, among other things, impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the U.S. federal government, claims for payment or approval that are false or fraudulent, knowingly making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease, or conceal an obligation to pay money to the U.S. federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- the federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transfer of remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state healthcare program, unless an exception applies;

- the U.S. federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing, or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items, or services; similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the FDCA, which prohibits, among other things, the adulteration or misbranding of drugs, biologics, and medical devices;

- the U.S. Physician Payments Sunshine Act and its implementing regulations, which requires certain manufacturers of drugs, devices, biologics, and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to the government information related to certain payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists, and chiropractors) and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members. Beginning in 2022, such obligations include payments and other transfers of value

provided in the previous year to certain other healthcare professionals, including physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse midwives;

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;

- analogous U.S. state laws and regulations, including: state anti-kickback and false claims laws, which may apply to our business practices, including but not limited to, research, distribution, sales, and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; and state and local laws that require the registration of pharmaceutical sales representatives; and

- similar healthcare laws and regulations in the EU and other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices, including our relationships with physicians and other healthcare providers, some of whom are compensated in the form of stock options for consulting services provided, may not comply with current or future statutes, regulations, agency guidance, or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal, and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil, or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment, which could affect our ability to operate our business. Further, defending against any such actions can be costly, time-consuming, and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

We are subject to governmental regulation and other legal obligations, particularly related to privacy, data protection, and information security, and we are subject to consumer protection laws that regulate our marketing practices and prohibit unfair or deceptive acts or practices. Our actual or perceived failure to comply with such obligations could harm our business.

We and our partners may be subject to diverse laws and regulations relating to data privacy and security, including, in the United States, HIPAA and, in the EU and the European Economic Area, or EEA, the General Data Protection Regulation, or the GDPR. New privacy rules are being enacted in the United States and globally, and existing ones are being updated and strengthened. For example, on June 28, 2018, California enacted the California Consumer Privacy Act, or CCPA, which took effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Complying with these numerous, complex, and often changing regulations is expensive and difficult, and failure to comply with any privacy laws or data security laws or any security incident or breach involving the misappropriation, loss, or other unauthorized use or disclosure of sensitive or confidential patient or consumer information, whether by us or another third-party, could adversely affect our business, financial condition, and results of operations, including but not limited to: investigation costs, material fines and penalties; compensatory, special, punitive, and statutory damages; litigation; consent orders regarding our privacy and security practices; requirements that we provide notices, credit monitoring services, and/or credit restoration services or other relevant services to impacted individuals; adverse actions against our licenses to do business; and injunctive relief.

In Europe, the GDPR went into effect on May 25, 2018. The GDPR requires us, among other things, to make detailed disclosures to data subjects, to disclose the legal basis on which we can process personal data, to obtain valid consent for processing, to appoint data protection officers when sensitive personal data, such as health data, is processed on a large scale, and provides robust rights for data subjects, introduces mandatory data breach notification, imposes additional obligations on us when contracting with service providers, and requires us to adopt appropriate privacy governance including policies, procedures, training, and data audit. In

addition, the GDPR increases the scrutiny of transfers of personal data from clinical trial sites located in the EEA to the United States and other jurisdictions that the European Commission does not recognize as having "adequate" data protection laws; in July 2020, the Court of Justice of the European Union limited how organizations could lawfully transfer personal data from the EEA to the United States by invalidating the EU-US Privacy Shield and imposing further restrictions on use of the standard contractual clauses, which could increase our costs and our ability to efficiently process personal data from the EEA. If we do not comply with our obligations under the GDPR, we could be exposed to fines of up to the greater of €20 million or up to 4% of our total global annual revenue in the event of a significant breach. In addition, we may be the subject of litigation and/or adverse publicity, which could adversely affect our business, results of operations, and financial condition. Additionally, following the United Kingdom's withdrawal from the EEA and the EU, and the expiry of the transition period, companies will have to comply with the GDPR and the GDPR as incorporated into United Kingdom national law, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, for example around how data can lawfully be transferred between each jurisdiction, which exposes us to further compliance risk.

We cannot assure you that our third-party service providers with access to our or our customers', suppliers', trial patients', and employees' personally identifiable and other sensitive or confidential information in relation to which we are responsible will not breach contractual obligations imposed by us, or that they will not experience data security breaches or attempts thereof, which could have a corresponding effect on our business, including putting us in breach of our obligations under privacy laws and regulations and/or which could in turn adversely affect our business, results of operations, and financial condition. We cannot assure you that our contractual measures and our own privacy and security-related safeguards will protect us from the risks associated with the third-party processing, storage, and transmission of such information.

We face potential liability related to the privacy of health information we obtain from clinical trials sponsored by us.

Most healthcare providers, including research institutions from which we obtain patient health information, are subject to privacy and security regulations promulgated under HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or the HITECH Act. We are not currently classified as a covered entity or business associate under HIPAA and thus are not subject to its requirements or penalties. However, any person may be prosecuted under HIPAA's criminal provisions either directly or under aiding-and-abetting or conspiracy principles. Consequently, depending on the facts and circumstances, we could face substantial criminal penalties if we knowingly receive individually identifiable health information from a HIPAA-covered healthcare provider or research institution that has not satisfied HIPAA's requirements for disclosure of individually identifiable health information. In addition, we may maintain sensitive personally identifiable information, including health information, that we receive throughout the clinical trial process, in the course of our research collaborations, and directly from individuals (or their healthcare providers) who enroll in our patient assistance programs. As such, we may be subject to state laws requiring notification of affected individuals and state regulators in the event of a breach of personal information, which is a broader class of information than the health information protected by HIPAA. Our clinical trial programs outside the United States may implicate international data protection laws, including the GDPR and legislation of the EU and EEA member states implementing it.

Our activities outside the United States impose additional compliance requirements and generate additional risks of enforcement for noncompliance. Failure by our CROs and other third-party contractors to comply with the strict rules on the transfer of personal data outside of the European Union into the United States may result in the imposition of criminal and administrative sanctions on such collaborators, which could adversely affect our business. Furthermore, certain health privacy laws, data breach notification laws, consumer protection laws, and genetic testing laws may apply directly to our operations and/or those of our collaborators and may impose restrictions on our collection, use, and dissemination of individuals' health information. The GDPR provides that EU and EEA member states may establish their own laws and regulations limiting the processing of personal data, including genetic, biometric, or health data, which could limit our ability to use and share personal data or could cause our costs to increase. Moreover, patients about whom we or our collaborators obtain health information, as well as the providers who share this information with us, may have statutory or contractual rights that limit our ability to use and disclose the information. We may be required to expend significant capital and other resources to ensure ongoing compliance with applicable privacy and data security laws. Claims that we have violated individuals' privacy rights or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

If we or third-party CMOs, CROs, or other contractors or consultants fail to comply with applicable federal, state, or local regulatory requirements, we could be subject to a range of regulatory actions that could affect our or our contractors' ability to develop and commercialize our product candidates and could harm or prevent sales of any affected products that we are able to commercialize, or could substantially increase the costs and expenses of developing, commercializing, and marketing our products. Any threatened or actual government enforcement action could also generate adverse publicity and require that we devote substantial resources that could otherwise be used in other aspects of our business. Increasing use of social media could give rise to liability, breaches of data security, or reputational damage.

We are subject to environmental, health, and safety laws and regulations, and we may become exposed to liability and substantial expenses in connection with environmental compliance or remediation activities.

Our operations, including our development, testing, and manufacturing activities, are subject to numerous environmental, health, and safety laws and regulations. These laws and regulations govern, among other things, the controlled use, handling, release, and disposal of and the maintenance of a registry for, hazardous materials and biological materials, such as chemical solvents, human cells, carcinogenic compounds, mutagenic compounds, and compounds that have a toxic effect on reproduction, laboratory procedures, and exposure to blood-borne pathogens. If we fail to comply with such laws and regulations, we could be subject to fines or other sanctions.

As with other companies engaged in activities similar to ours, we face a risk of environmental liability inherent in our current and historical activities, including liability relating to releases of or exposure to hazardous or biological materials. Environmental, health, and safety laws and regulations are becoming more stringent. We may be required to incur substantial expenses in connection with future environmental compliance or remediation activities, in which case, the production efforts of our third-party manufacturers or our development efforts may be interrupted or delayed.

We and our employees are increasingly utilizing social media tools as a means of communication both internally and externally.

Despite our efforts to monitor evolving social media communication guidelines and comply with applicable rules, there is risk that the use of social media by us or our employees to communicate about our product candidates or business may cause us to be found in violation of applicable requirements. In addition, our employees may knowingly or inadvertently make use of social media in ways that may not comply with our policies and other legal or contractual requirements, which may give rise to liability, lead to the loss of trade secrets or other intellectual property, or result in public exposure of personal information of our employees, clinical trial patients, customers, and others. Furthermore, negative posts or comments about us or our product candidates in social media could seriously damage our reputation, brand image, and goodwill. Any of these events could have a material adverse effect on our business, prospects, operating results, and financial condition and could adversely affect the price of our common stock.

Risks Related to Commercialization

Developments by competitors may render our products or technologies obsolete or non-competitive or may reduce the size of our markets.

Our industry has been characterized by extensive research and development efforts, rapid developments in technologies, intense competition, and a strong emphasis on proprietary products. We face potential competition from many different sources, including pharmaceutical, biotechnology, and specialty pharmaceutical companies either marketing or developing therapeutics to treat CRS. Academic research institutions, governmental agencies, as well as public and private institutions are also potential sources of competitive products and technologies. Our competitors may have or may develop superior technologies or approaches, which may provide them with competitive advantages. Our potential products may not compete successfully. If these competitors access the marketplace before we do with better or less expensive therapeutics, our product candidates, if approved for commercialization, may not be profitable to sell or worthwhile to continue to develop. Technology in the pharmaceutical industry has undergone rapid and significant change, and we expect that it will continue to do so. Any compounds, products, or processes that we develop may become obsolete or uneconomical before we recover any expenses incurred in connection with their development. The success of our product candidates will depend upon factors such as product efficacy, safety, reliability, availability, timing, scope of regulatory approval, acceptance, and price, among other things. Other important factors to our success include speed in developing product candidates, completing clinical development and laboratory testing, obtaining regulatory approvals, and manufacturing and selling commercial quantities of potential products.

Our product candidates are intended to compete directly or indirectly with existing products and treatments. Even if approved and commercialized, our product candidates may fail to achieve market acceptance with hospitals, physicians, or patients. Hospitals, physicians, or patients may conclude that our potential products are less safe or effective or otherwise less attractive than these existing drugs. If our product candidates do not receive market acceptance for any reason, our revenue potential would be diminished, which would materially adversely affect our ability to become profitable.

Significant competition exists in the treatment of polyps. We will need to compete with all currently available or future therapies within the indications where our development is focused. LYR-210, if approved and commercialized, will face significant competition. The main classes of marketed products that are available for the treatment of polyps include nasal saline irrigation, intranasal corticosteroidal sprays and antibiotics, as well as surgical intervention. In addition, three companies are currently marketing, and several companies are also currently developing, biologic monoclonal antibodies, or mAbs, for the treatment of nasal polyps. If

these biologic mAbs are successfully developed and approved for marketing, they could represent competition for LYR-220 for the segment of patients that have polyps. There are two companies pursuing the treatment of non-polyp patients.

There are a number of companies developing or marketing therapies for the treatment and management of CRS that may compete with our current product candidates, including many major pharmaceutical and biotechnology companies. These companies include, among others: Hoffman-La Roche, GlaxoSmithKline, AnaptysBio, Regeneron, OptiNose, and Intersect ENT.

Most of our competitors, including many of those listed above, have substantially greater capital resources, robust product candidate pipelines, established presence in the market, and expertise in research and development, manufacturing, pre-clinical and clinical testing, obtaining regulatory approvals and reimbursement, and marketing approved products than we do. As a result, our competitors may achieve product commercialization or patent protection earlier than we can. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified clinical, regulatory, scientific, sales, marketing, and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any products that we may develop or that would render any products that we may develop obsolete or noncompetitive.

The successful commercialization of our product candidates will depend in part on the extent to which governmental authorities and health insurers establish coverage, adequate reimbursement levels, and pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue.

The availability of coverage and adequacy of reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers, and other third-party payors are essential for most patients to be able to afford medical services and pharmaceutical products such as our product candidates, assuming FDA approval. Our ability to achieve acceptable levels of coverage and reimbursement for our products or procedures using our products by governmental authorities, private health insurers, and other organizations will have an effect on our ability to successfully commercialize our product candidates. Obtaining coverage and adequate reimbursement for our products may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. Separate reimbursement for the product itself or the treatment or procedure in which our product is used may not be available. A decision by a third-party payor not to cover or separately reimburse for our products or procedures using our products could reduce physician utilization of our products once approved. Assuming there is coverage for our product candidates or procedures using our product candidates by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients are unlikely to use our product candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our product candidates. Similarly, our product candidates are physician-administered treatments and as such, separate reimbursement for the product itself may or may not be available. Instead, the hospital or administering physician may be reimbursed only for providing the treatment or procedure in which our product is used. To the extent separate coverage and reimbursement should become available for LYR-210, we anticipate that it will be sold to physicians on a “buy and bill” basis. Buy and bill products must be purchased by healthcare providers before they can be administered to patients. Healthcare providers subsequently must seek reimbursement for the product from the applicable third-party payor, such as Medicare or a health insurance company. Healthcare providers may be reluctant to administer our product candidates, if approved, because they would have to fund the purchase of the product and then seek reimbursement, which may be lower than their purchase price, or because they do not want the additional administrative burden required to obtain reimbursement for the product.

Further, the status of reimbursement codes for any of our product candidates, if approved, could also affect reimbursement. J-Codes and Q-Codes are reimbursement codes maintained by the Centers for Medicare and Medicaid Services, or CMS, that are a component of the Healthcare Common Procedure Coding System and are typically used to report injectable drugs that ordinarily cannot be self-administered. We currently do not have a specific J-Code or Q-Code for any of our product candidates. If our product candidates are approved, we may apply for one but cannot guarantee that a J-Code or Q-Code will be granted. To the extent separate coverage or reimbursement is available for any product candidate, if approved, and a specific J-Code or Q-Code is not available, physicians would need to use a non-specific miscellaneous J-Code to bill third-party payors for these physician-administered drugs. Because miscellaneous J-Codes may be used for a wide variety of products, health plans may have more difficulty determining the actual product used and billed for the patient. These claims must often be submitted with additional information and manually processed, which can delay claims processing times as well as increase the likelihood for claim denials and claim errors. We cannot be sure that coverage and reimbursement in the United States, the EU, or elsewhere will be available for our product candidates or any product that we may develop, and any reimbursement that may become available may not be adequate or may be decreased or eliminated in the future.

Third-party payors increasingly are challenging prices charged for pharmaceutical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs and biologics when an equivalent generic drug, biosimilar, or a less expensive therapy is available. It is possible that a third-party payor may consider our product candidates as substitutable and only offer to reimburse patients for the less expensive product. Even if we show improved efficacy or improved convenience of administration with our product candidates, pricing of existing third-party therapeutics may limit the amount we will be able to charge for our product candidates. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in our product candidates. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our product candidates, and may not be able to obtain a satisfactory financial return on our product candidates.

There is significant uncertainty related to the insurance coverage and reimbursement of newly-approved products. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs and biologics will be covered. The Medicare and Medicaid programs increasingly are used as models in the United States for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs and biologics. Some third-party payors may require pre-approval of coverage for new or innovative drug therapies before they will reimburse healthcare providers who use such therapies. We cannot predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

No uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our product candidates to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases on short notice, and we believe that changes in these rules and regulations are likely.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in the EU and other jurisdictions have and will continue to put pressure on the pricing and usage of our product candidates. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our product candidates may be reduced compared with the United States and may be insufficient to generate commercially-reasonable revenue and profits.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our product candidates. We expect to experience pricing pressures in connection with the sale of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and biologics and surgical procedures and other treatments, has become intense. As a result, increasingly high barriers are being erected to the entry of new products.

Our clinical studies were designed to demonstrate the safety and efficacy of LYR-210 based on FDA requirements and may not be seen as compelling to physicians or patients.

Our success depends on the medical community's acceptance of LYR-210, if approved, as a treatment for CRS patients. LYR-210 was previously studied in an open-label, Phase 1 clinical trial with 20 patients in New Zealand and Australia, which achieved its primary endpoint of safety at week 4. In the Phase 1 trial, we also observed that patients generally experienced significant and rapid, clinically meaningful and durable improvement in SNOT-22 scores. Significant reduction in SNOT-22 scores was observed at week 1, and this reduction persisted through week 25, which was the end of the trial. In our Phase 2 LANTERN clinical trial, we reported positive top-line results but failed to achieve the primary endpoint. Although not statistically significant at week 4 (the primary endpoint), at the 7,500 µg dose, LYR-210 achieved statistically significant improvement in 4CSS in favor of the treatment arm as measured by the change from baseline at weeks 16, 20, and 24. Furthermore, at the 7,500 µg dose, LYR-210 achieved statistically significant improvement in SNOT-22 score in favor of the treatment arm at weeks 8, 16, 20, and 24. Even if the results of these clinical trials suggest a favorable safety and efficacy profile, the study designs and results, and the designs and results of future clinical trials we conduct, may not be viewed as compelling to our physician customers or patients. If physicians do not find our data compelling, even if LYR-210 receives marketing approval they may choose not to use our products or limit their use. We cannot assure you that any data that we or others generate, including from any pivotal Phase 3 clinical study we may pursue for LYR-210,

will be consistent with that observed in the Phase 1 clinical trial of LYR-210 and Phase 2 LANTERN clinical trial, nor that results will be maintained beyond the time points studied. We also cannot assure you that any data that may be collected will be compelling to the medical community because the data may not be clinically meaningful and may not demonstrate that LYR-210 is an attractive procedure when compared against data from alternative treatments.

Even if either LYR-210 or LYR-220 receives marketing approval, it may fail to achieve market acceptance by physicians, patients, third-party payors, or others in the medical community necessary for commercial success.

If either LYR-210 or LYR-220 receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. If it does not achieve an adequate level of acceptance, we may not generate significant product revenues or become profitable. The degree of market acceptance of LYR-210 or LYR-220, if approved for commercial sale, will depend on a number of factors, including but not limited to:

- perceptions by members of the healthcare community, including physicians, about the safety and effectiveness of our platform;
- the perception by members of the healthcare community, including physicians, or patients that the process of administering LYR-210 or LYR-220 is not unduly cumbersome;
- the efficacy and potential advantages compared to alternative treatments;
- effectiveness of sales and marketing efforts;
- the cost of treatment in relation to alternative treatments;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- the timing of market introduction of competitive products;
- the availability of third-party coverage and adequate reimbursement;
- product labeling or product insert requirements of the FDA, the EMA, or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- the prevalence and severity of any side effects; and
- any restrictions on the use of our product together with other medications.

If our product candidates are approved, but do not achieve an adequate level of acceptance by physicians, healthcare payors, and patients, we may not generate sufficient revenue from these products, and we may not be able to achieve or sustain profitability. Our efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may never be successful. In addition, our ability to successfully commercialize our product candidates will depend on our ability to manufacture our products through third-party manufacturers, differentiate our products from competing products, and defend the intellectual property of our products.

Because we expect sales of LYR-210, if approved, to generate substantially all of our product revenues for a substantial period, the failure of this product to find market acceptance would harm our business and could require us to seek additional financing.

If physicians or patients are not willing to change current practices and adopt our office-based administration procedure for LYR-210 and LYR-220, our products may fail to gain market acceptance, and our business will be harmed.

Our initial product candidates, LYR-210 and LYR-220, are bioresorbable polymeric matrices designed to be administered in a brief, non-invasive, in-office procedure by an ENT physician under endoscopic visualization via a single-use applicator. While we believe ENT physicians will be able to administer our product candidates, if successfully developed and approved, in conjunction with an endoscopy procedure, thereby making the placement aligned with the existing care continuum for CRS patients and eliminating the need for ENT physicians to schedule separate surgical time, ENT physicians may not adopt our in-office procedure for a number of reasons, including:

- lack of significant experience with the placement procedure via a single-use applicator;
- lack of availability of adequate insurance coverage or reimbursement for the placement procedure;
- perceived inadequacy of evidence supporting clinical benefits or cost-effectiveness of the placement procedure and/or our products in general over existing alternatives;
- a perception that patients may be unable to tolerate the placement procedure in the physician office setting; and
- liability risks generally associated with the use of new products and procedures.

If ENT physicians do not adopt the placement procedure for any reason, including those listed above, our ability to grow our business would be impaired, even if LYR-210 and LYR-220 receive marketing approval.

We believe recommendations and support of our products by notable ENT physicians could influence market acceptance and adoption. If we do not receive support from influential ENT physicians, our ability to achieve broad market acceptance for our products may be impaired.

In addition, if patient receptivity toward treatment in an ENT physician office setting becomes less favorable in the future, this shift could negatively impact market acceptance of our products. Any negative change due to patient receptivity could also be compounded by patients reporting to physicians or other patients through word-of-mouth or social media.

Additionally, while it is currently more cost-effective to the healthcare system for providers to perform the placement procedure in an ENT physician's office than a FESS procedure in an operating room, healthcare economics are subject to change. If the use of our products were to cease being more cost-effective than FESS due to changes in reimbursement economics, our products may fail to gain market acceptance, our future growth would be limited, and our business may be adversely affected.

If we are unable to establish sales, marketing, and distribution capabilities either on our own or in collaboration with third parties, we may not be successful in commercializing LYR-210 or LYR-220, if approved, and we may not be able to generate any revenue.

We do not have any infrastructure for the sales, marketing, or distribution of our products, and the cost of establishing and maintaining such an organization may exceed the cost-effectiveness of doing so.

We expect to build our own focused sales, distribution, and marketing infrastructure to market LYR-210 and LYR-220 in the United States, if approved. There are significant expenses and risks involved with establishing our own sales, marketing, and distribution capabilities, including our ability to hire, retain, and appropriately incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel, and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing, and distribution capabilities could delay any product launch, which would adversely impact the commercialization of LYR-210. Additionally, if the commercial launch of LYR-210 or LYR-220 for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our product candidates on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;

- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future products;
- our inability to equip medical and sales personnel with effective materials, including medical and sales literature to help them educate physicians and other healthcare providers regarding applicable diseases and our future products;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines;
- our inability to develop or obtain sufficient operational functions to support our commercial activities; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

We do not anticipate having the resources in the foreseeable future to allocate to the sales and marketing of LYR-210, LYR-220, or any future product candidates in markets outside of the United States. Therefore, our future sales in these markets will largely depend on our ability to enter into and maintain collaborative relationships for such capabilities, the collaborator's strategic interest in the product, and such collaborator's ability to successfully market and sell the product. We intend to selectively pursue collaborative arrangements regarding the sale and marketing of LYR-210, if approved, for certain markets outside of the United States; however, we cannot assure that we will be able to establish or maintain such collaborative arrangements, or if able to do so, that they will have effective sales forces.

If we are unable to build our own sales force or negotiate a collaborative relationship for the commercialization of LYR-210 or LYR-220, we may be forced to delay the potential commercialization of LYR-210 or LYR-220 or reduce the scope of our sales or marketing activities for LYR-210 or LYR-220. If we elect to increase our expenditures to fund commercialization activities ourselves, we will need to obtain additional capital, which may not be available to us on acceptable terms, or at all. We could enter into arrangements with collaborative partners at an earlier stage than otherwise would be ideal and we may be required to relinquish rights to LYR-210 or LYR-220 or otherwise agree to terms unfavorable to us, any of which may have an adverse effect on our business, operating results and prospects.

If we are unable to establish adequate sales, marketing, and distribution capabilities, either on our own or in collaboration with third parties, we will not be successful in commercializing LYR-210 or LYR-220 and may not become profitable and may incur significant additional losses. We will be competing with many companies that currently have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

Our future growth may depend, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability may depend, in part, on our ability to commercialize our product candidates in foreign markets for which we may rely on collaboration with third parties. We are evaluating the opportunities for the development and commercialization of our product candidates in foreign markets. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market, and we may never receive such regulatory approval for any of our product candidates. To obtain separate regulatory approvals in other countries we may be required to comply with numerous and varying regulatory requirements of such countries regarding the safety and efficacy of our product candidates and governing, among other things, clinical trials and commercial sales, pricing, and distribution of our product candidates, and we cannot predict success in these jurisdictions. If we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to additional risks and uncertainties, including:

- our customers' ability to obtain reimbursement for our product candidates in foreign markets;
- our inability to directly control commercial activities if we are relying on third parties;
- the burden of complying with complex and changing foreign regulatory, tax, accounting, and legal requirements;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;

- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training and the need for language translations;
- reduced protection of intellectual property rights in some foreign countries;
- the existence of additional potentially relevant third-party intellectual property rights;
- foreign currency exchange rate fluctuations; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Foreign sales of our product candidates could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions, and changes in tariffs.

In some countries, particularly the countries in Europe, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially.

The sizes of the patient populations that our product candidates are intended to treat have not been established with precision. If the market opportunities for our product candidates are smaller than we estimate, or if any approval that we obtain is based on a narrower definition of the patient population than we anticipate, our revenue and ability to achieve profitability may be materially adversely affected.

The precise incidence and prevalence of the conditions we aim to address with our programs is unknown and cannot be precisely determined. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on beliefs and estimates. These estimates have been derived from a variety of sources, including the scientific literature, surveys of clinics, patient foundations, or market research, and may prove to be incorrect. Further, new information may change the estimated incidence or prevalence of these diseases, and the incidence or prevalence of these diseases is subject to change.

The total addressable market across all of our product candidates will ultimately depend upon, among other things, the indications and conditions of use for which the product candidates are approved and may be marketed, acceptance by the medical community, and patient access, drug pricing, and reimbursement. The sizes of the patient populations that our product candidates are intended to treat in the United States and other major markets and elsewhere may turn out to be smaller than expected, patients may not be otherwise amenable to treatment with our product candidates, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business. Further, even if we obtain significant market share for our product candidates, we may never achieve profitability despite obtaining such significant market share.

If we cannot compete for market share against other drug companies, we may not achieve sufficient product revenues and our business will suffer.

If our product candidates receive FDA approval, they will compete with a number of existing and future drugs and therapies developed, manufactured, and marketed by other companies. Existing or future competing products may provide greater therapeutic convenience or clinical or other benefits for a specific indication than our products, or may offer comparable performance at a lower cost. If our products fail to capture and maintain market share, we may not achieve sufficient product revenues and our business will suffer.

We will compete against fully integrated pharmaceutical companies and smaller companies that are collaborating with larger pharmaceutical companies, academic institutions, government agencies, and other public and private research organizations. Many of these competitors may have compounds already approved or in development in the therapeutic categories that we are targeting with our current and future product candidates. In addition, many of these competitors, either alone or together with their collaborative partners, may operate larger research and development programs or have substantially greater financial resources than we do, as well as greater experience in:

- developing product candidates;
- undertaking pre-clinical testing and clinical trials;
- obtaining NDA approval by the FDA and comparable foreign regulatory approvals of product candidates;
- formulating and manufacturing products; and
- launching, marketing, and selling products.

If we obtain approval to commercialize any products outside of the United States, a variety of risks associated with international operations could materially adversely affect our business.

If either LYR-210 or LYR-220 is approved for commercialization, we intend to selectively partner with third parties to market it in certain jurisdictions outside the United States. We expect that we will be subject to additional risks related to international pharmaceutical operations, including:

- different regulatory requirements for drug approvals and rules governing drug commercialization in foreign countries;
- reduced protection for intellectual property rights;
- foreign reimbursement, pricing, and insurance regimes;
- potential noncompliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010, and similar anti-bribery and anticorruption laws in other jurisdictions; and
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad.

We have no prior experience in these areas. In addition, there are complex regulatory, tax, labor, and other legal requirements imposed by both the European Union and many of the individual countries in Europe with which we will need to comply. Many U.S.-based biotechnology companies have found the process of marketing their own products in Europe to be very challenging.

Certain legal and political risks are also inherent in foreign operations. For example, it may be more difficult for us to enforce our agreements or collect receivables through foreign legal systems. There is a risk that foreign governments may nationalize private enterprises in certain countries where we may operate. In certain countries or regions, terrorist activities and the response to such activities may threaten our operations more than in the United States. Social and cultural norms in certain countries may not support compliance with our corporate policies including those that require compliance with substantive laws and regulations. Also, changes in general economic and political conditions in countries where we may operate are a risk to our financial performance and future growth. Additionally, the need to identify financially and commercially strong partners for commercialization outside the United States who will comply with the high manufacturing and legal and regulatory compliance standards we require is a risk to our financial performance. As we operate our business globally, our success will depend, in part, on our ability to anticipate and effectively manage these and other related risks. There can be no assurance that the consequences of these and other factors relating to our international operations will not have an adverse effect on our business, financial condition or results of operations.

Potential product liability lawsuits against us could cause us to incur substantial liabilities and limit commercialization of any products that we may develop.

The use of our product candidates, including LYR-210 and LYR-220, in clinical trials and the sale of any products for which we obtain marketing approval exposes us to the risk of product liability claims. For example, complications arising from the placement procedure for LYR-210 or LYR-220, or from the degradation or dislodgment of the LYR-210 or LYR-220 polymeric matrix within the sinuses after placement, or from foreign growth occurring in the sinus after placement, could give rise to product liability claims against us. Product liability claims might be brought against us by consumers, healthcare providers, pharmaceutical companies, or others selling or otherwise coming into contact with our products. On occasion, large judgments have been awarded in class action lawsuits based on products that had unanticipated adverse effects. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs, which may not be covered by insurance. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation and significant negative media attention;
- withdrawal of participants from our clinical trials;
- significant costs to defend the related litigation and related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- inability to commercialize LYR-210 or LYR-220 or any other product candidate;
- product recalls, withdrawals or labeling, marketing, or promotional restrictions;
- decreased demand for LYR-210 or LYR-220 or any other product candidate, if approved for commercial sale; and
- loss of revenue.

Risks Related to Our Dependence on Third Parties

We rely on third parties for the manufacture of materials for our research programs, pre-clinical studies, and clinical trials and we do not have long-term contracts with any of these parties. This reliance on third parties increases the risk that we will not have sufficient quantities of such materials, product candidates, or any therapies that we may develop and commercialize, or that such supply will not be available to us at an acceptable cost, which could delay, prevent, or impair our development or commercialization efforts.

We currently rely on third parties for the manufacture of our product candidates and related raw materials for future pre-clinical and clinical development, as well as for commercial manufacture if any of our product candidates receive marketing approval. We purchase certain required materials for pre-clinical and clinical drug supply on a purchase order basis. In addition, we have engaged a third-party contract manufacturer to complete the manufacturing for the anticipated LYR-210 Phase 3 clinical trials. Certain of these manufacturers are critical to our production and the loss of these manufacturers to one of our competitors or otherwise, or an inability to obtain quantities at an acceptable cost or quality, could delay, prevent, or impair our ability to timely conduct pre-clinical studies or clinical trials, and would materially and adversely affect our development and commercialization efforts. The facilities used by third-party manufacturers to manufacture our product candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit an NDA to the FDA. We do not control the manufacturing process of, and are completely dependent on, third-party manufacturers for compliance with cGMP requirements for manufacture of drug products and other laws and regulations. If these third-party manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. Some of our contract manufacturers may not have produced a commercially-approved product and therefore may not have obtained the requisite FDA approvals to do so. In addition, we have no control over the ability of third-party manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for, or market our product candidates, if approved.

The failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, seizures or recalls of product candidates or products, operating restrictions, and criminal prosecutions, any of which could significantly and adversely affect supplies of our products. In addition, we may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms.

Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- failure of third-party manufacturers to comply with regulatory requirements and maintain quality assurance;
- breach of the manufacturing agreement by the third party;
- failure to manufacture our product according to our specifications;
- failure to manufacture our product according to our schedule or at all;
- misappropriation of our proprietary information, including our trade secrets and know-how; and
- termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Our product candidates and any products that we may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval, and any related remedial measures may be costly or time-consuming to implement. We do not currently have arrangements in place for redundant supply or a second source for all required raw materials used in the manufacture of our product candidates. The extent to which the COVID-19 pandemic impacts our ability to procure sufficient supplies for the development of our products and product candidates will depend on the severity and duration of the spread of the virus, and the actions undertaken to contain COVID-19 or treat its effects and may cause delays. If our current third-party manufacturers cannot perform as agreed, we may be required to replace such manufacturers and we may be unable to replace them on a timely basis or at all. Our current and anticipated future dependence upon others for the manufacture of our product candidates or products may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis.

We rely on third parties to conduct our pre-clinical studies and clinical trials. Any failure by a third party to conduct the clinical trials according to GCPs and in a timely manner may delay or prevent our ability to seek or obtain regulatory approval for or commercialize our product candidates.

We are dependent on third parties to conduct our pre-clinical studies and clinical trials, including our planned and ongoing clinical trials for LYR-210, and we expect to rely on third parties to conduct future clinical trials and pre-clinical studies for our product candidates, including LYR-220. Specifically, we have used and relied on, and intend to continue to use and rely on, medical institutions, clinical investigators, CROs, and consultants to conduct our clinical trials in accordance with our clinical protocols and regulatory requirements. These CROs, investigators, and other third parties play a significant role in the conduct and timing of these trials and subsequent collection and analysis of data. While we have agreements governing the activities of our third-party contractors, we have limited influence over their actual performance. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol and legal, regulatory, and scientific standards, and our reliance on the CROs and other third parties does not relieve us of our regulatory responsibilities. We and our CROs are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators, and trial sites. If we or any of our CROs or trial sites fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable, and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with GCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

There is no guarantee that any such CROs, investigators, or other third parties will devote adequate time and resources to such trials or perform as contractually required. If any of these third parties fail to meet expected deadlines, adhere to our clinical protocols, or meet regulatory requirements, or otherwise performs in a substandard manner, our clinical trials may be extended,

delayed, or terminated. In addition, many of the third parties with whom we contract may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other drug development activities that could harm our competitive position. In addition, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or the FDA concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned, and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of any NDA we submit to the FDA. Any such delay or rejection could prevent us from commercializing our product candidates.

If any of our relationships with these third-parties terminate, we may not be able to enter into arrangements with alternative third parties or do so on commercially reasonable terms. Switching or adding additional CROs, investigators, and other third parties involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. The COVID-19 pandemic and government measures taken in response have also had a significant impact on our CROs, and we expect that they will face further disruption which may affect our ability to initiate and complete our pre-clinical studies and clinical trials. Though we carefully manage our relationships with our CROs, investigators, and other third parties, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition, and prospects.

We may collaborate with third parties for the development and commercialization of LYR-210, LYR-220, and any of our future product candidates. We may not succeed in establishing and maintaining collaborative relationships, which may significantly limit our ability to develop and commercialize LYR-210, LYR-220, or our future product candidates successfully, if at all.

We may seek additional collaborative relationships for the development and commercialization of LYR-210, LYR-220, or any future product candidates. Failure to obtain a collaborative relationship for LYR-210, LYR-220, or any future product candidates may significantly impair the potential for these product candidates. We also may need to enter into collaborative relationships to provide funding to support our other research and development programs. The process of establishing and maintaining collaborative relationships is difficult, time-consuming, and involves significant uncertainty, such as:

- a collaboration partner may shift its priorities and resources away from our product candidates due to a change in business strategies, or a merger, acquisition, sale, or downsizing;
- a collaboration partner may seek to renegotiate or terminate their relationships with us due to unsatisfactory clinical results, manufacturing issues, a change in business strategy, a change of control, or other reasons;
- a collaboration partner may cease development in therapeutic areas which are the subject of our strategic collaboration;
- a collaboration partner may not devote sufficient capital or resources towards our product candidates;
- a collaboration partner may change the success criteria for a product candidate, thereby delaying or ceasing development of such candidate;
- a significant delay in initiation of certain development activities by a collaboration partner will also delay payment of milestones tied to such activities, thereby impacting our ability to fund our own activities;
- a collaboration partner could develop a product that competes, either directly or indirectly, with our product candidate;
- a collaboration partner with commercialization obligations may not commit sufficient financial or human resources to the marketing, distribution, or sale of a product;
- a collaboration partner with manufacturing responsibilities may encounter regulatory, resource, or quality issues and be unable to meet demand requirements;
- a collaboration partner may terminate a strategic alliance;

- a dispute may arise between us and a partner concerning the research, development, or commercialization of a product candidate resulting in a delay in milestones, royalty payments, or termination of an alliance and possibly resulting in costly litigation or arbitration which may divert management attention and resources; and

- a partner may use our products or technology in such a way as to invite litigation from a third party.

If any collaborator fails to fulfill its responsibilities in a timely manner, or at all, our research, clinical development, manufacturing, or commercialization efforts related to that collaboration could be delayed or terminated, or it may be necessary for us to assume responsibility for expenses or activities that would otherwise have been the responsibility of our collaborator. If we are unable to establish and maintain collaborative relationships on acceptable terms or to successfully transition terminated collaborative agreements, we may have to delay or discontinue further development of one or more of our product candidates, undertake development and commercialization activities at our own expense, or find alternative sources of capital. Moreover, any collaborative partners we enter into agreements with in the future may shift their priorities and resources away from our product candidates or seek to renegotiate or terminate their relationships with us.

If we seek, but are not able to establish, collaborations, we may have to alter our development and commercialization plans.

Our product development programs and the potential commercialization of our product candidates will require substantial additional capital. We may decide to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of our product candidates.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration, and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or comparable regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate revenue.

Data provided by collaborators and others upon which we rely that has not been independently verified could turn out to be false, misleading, or incomplete.

We rely on third-party vendors, such as CROs, scientists, and collaborators to provide us with significant data and other information related to our projects, pre-clinical studies, or clinical trials and our business. If such third parties provide inaccurate, misleading, or incomplete data, our business, prospects, and results of operations could be materially adversely affected.

We do not have multiple sources of supply for some of the components used in LYR-210 or LYR-220, nor long-term supply contracts, and certain of our suppliers are critical to our production. If we were to lose a supplier, it could have a material adverse effect on our ability to complete the development of LYR-210 or LYR-220. If we obtain regulatory approval for LYR-210 or LYR-220, we would need to expand the supply of their components in order to commercialize them.

We do not have multiple sources of supply for the components used in the manufacturing of LYR-210 or LYR-220. We also do not have long-term supply agreements with any of our component suppliers. We may not be able to establish additional sources of supply for our product candidates, or may be unable to do so on acceptable terms. Manufacturing suppliers are subject to cGMP quality and regulatory requirements covering manufacturing, testing, quality control, and record keeping relating to our product candidates and are subject to ongoing inspections by the regulatory agencies. Failure by any of our suppliers to comply with

applicable regulations may result in long delays and interruptions in supply. Manufacturing suppliers are also subject to local, state, and federal regulations and licensing requirements. Failure by any of our suppliers to comply with all applicable regulations and requirements may result in long delays and interruptions in supply.

The number of suppliers of the raw material components of our product candidates is limited. In the event it is necessary or desirable to acquire supplies from alternative suppliers, we might not be able to obtain them on commercially reasonable terms, if at all. It could also require significant time and expense to redesign our manufacturing processes to work with another company. Additionally, certain of our suppliers are critical to our production and the loss of these suppliers to one of our competitors or otherwise would materially and adversely affect our development and commercialization efforts.

As part of any marketing approval, regulatory authorities conduct inspections that must be successful prior to the approval of the product. Failure of manufacturing suppliers to successfully complete these regulatory inspections will result in delays. If supply from the approved supplier is interrupted, there could be a significant disruption in commercial supply. An alternative vendor would need to be qualified through an NDA amendment or supplement which could result in further delay. The FDA or other regulatory agencies outside of the United States may also require additional studies if a new supplier is relied upon for commercial production. Switching vendors may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

If we are unable to obtain the supplies we need at a reasonable price or on a timely basis, it could have a material adverse effect on our ability to complete the development of LYR-210 or LYR-220 or, if we obtain regulatory approval for LYR-210 or LYR-220, to commercialize them.

We may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, or partnerships with third-parties that may not result in the development of commercially viable products or the generation of significant future revenues.

In the ordinary course of our business, we may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, partnerships, or other arrangements to develop new products and to pursue new markets. Proposing, negotiating, and implementing collaborations, in-licensing arrangements, joint ventures, strategic alliances, or partnerships may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, sales, technology, or other business resources, may compete with us for these opportunities or arrangements. We may not identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms, or at all. We have limited institutional knowledge and experience with respect to these business development activities, and we may also not realize the anticipated benefits of any such transaction or arrangement. In particular, these collaborations may not result in the development of products that achieve commercial success or result in significant revenues and could be terminated prior to developing any products.

Additionally, we may not be in a position to exercise sole decision making authority regarding the transaction or arrangement, which could create the potential risk of creating impasses on decisions, and our future collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. It is possible that conflicts may arise with our collaborators, such as conflicts concerning the achievement of performance milestones, or the interpretation of significant terms under any agreement, such as those related to financial obligations or the ownership or control of intellectual property developed during the collaboration. If any conflicts arise with any current or future collaborators, they may act in their self-interest, which may be adverse to our best interest, and they may breach their obligations to us. In addition, we may have limited control over the amount and timing of resources that any current or future collaborators devote to our or their future products. Disputes between us and our collaborators may result in litigation or arbitration which would increase our expenses and divert the attention of our management. Further, these transactions and arrangements will be contractual in nature and will generally be terminable under the terms of the applicable agreements and, in such event, we may not continue to have rights to the products relating to such transaction or arrangement or may need to purchase such rights at a premium.

If we enter into in-bound intellectual property license agreements, we may not be able to fully protect the licensed intellectual property rights or maintain those licenses. Future licensors could retain the right to prosecute and defend the intellectual property rights licensed to us, in which case we would depend on the ability of our licensors to obtain, maintain, and enforce such licensed intellectual property. These licensors may determine not to pursue litigation against other companies or may pursue such litigation less aggressively than we would. If our licensors do not adequately protect such licensed intellectual property, competitors may be able to use such intellectual property and erode or negate any competitive advantage we may have, which could materially harm our business, negatively affect our position in the marketplace, limit our ability to commercialize our products and product candidates, and delay or render impossible our achievement of profitability. Further, entering into such license agreements could impose various diligence, commercialization, royalty, or other obligations on us. Future licensors may allege that we have breached our license agreement with them, and accordingly seek to terminate our license, which could adversely affect our competitive business position and harm our business prospects.

Risks Related to Our Intellectual Property

If we are unable to obtain, maintain, or adequately protect our intellectual property rights, we may not be able to compete effectively in our markets.

We rely upon a combination of patents, trade secret protection, and confidentiality agreements to protect our intellectual property and prevent others from duplicating LYR-210, LYR-220, and any future product candidates.

The strength of patents in the biotechnology and pharmaceutical field involves complex legal, factual, and scientific questions and can be uncertain. It is possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. The patent applications that we own may fail to result in issued patents with claims that cover our product candidates in the United States or in other foreign countries. There is no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found, which can invalidate a patent or prevent a patent from issuing from a pending patent application. Even if patents do successfully issue and even if such patents cover our product candidates, third parties may challenge the inventorship, ownership, validity, enforceability, or scope of such patents, which may result in such patents being narrowed or invalidated, or being held unenforceable. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property, provide exclusivity for our product candidates, or prevent others from designing around our claims. In addition, no assurances can be given that third parties will not create new products or methods that achieve similar results without infringing upon our patents. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

If the patent applications we hold with respect to our programs or product candidates fail to issue, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity for our product candidates, it could dissuade companies from collaborating with us to develop product candidates, and threaten our ability to commercialize future products. Several patent applications covering our product candidates have been filed recently. We cannot offer any assurances about which, if any, patents will issue, the breadth of any such patents, or whether any issued patents will be found invalid or unenforceable or will be threatened by third parties. Any successful opposition to these patents or any other patents owned by us could deprive us of rights necessary for the successful commercialization of any product candidates that we may develop.

Further, if we encounter delays in regulatory approvals, the period of time during which we could market a product candidate under patent protection could be reduced. Since patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we were the first to file any patent application related to a product candidate. Furthermore, if third parties have filed such patent applications before enactment of the Leahy-Smith Act on March 16, 2013, an interference proceeding in the United States can be initiated by a third party to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. In addition, patents have a limited lifespan. In the United States, the expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired for the patent covering a product, we may be open to competition from generic competing products.

The issuance of a patent is not conclusive as to its inventorship, ownership, scope, validity, or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our product candidate, if approved, or practicing our own patented technology. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is either not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our product candidate discovery and development processes that involve proprietary know-how, information, or technology that is not covered by patents. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our employees, consultants, scientific advisors, and contractors. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations, and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. Once disclosed, we are likely to lose trade secret protection.

Although we require all of our employees and consultants to assign their inventions to us, to the extent that employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Further, although we require that all of our employees, consultants, collaborators, advisors, and any third parties who have access to our proprietary know-how, information, or technology enter into confidentiality agreements, we cannot

provide any assurances that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently discover our trade secrets or develop substantially equivalent information and techniques. Any of these parties may breach these agreements and we may not have adequate remedies for any specific breach. Misappropriation or unauthorized disclosure of our trade secrets or other confidential proprietary information could impair our competitive position and may have a material adverse effect on our business. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable. Additionally, if the steps taken to maintain our trade secrets or other confidential proprietary information are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret or other confidential proprietary information.

If we are unable to prevent material disclosure of the non-patented intellectual property related to our technologies to third parties, and there is no guarantee that we will have any such enforceable trade secret protection, we may not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, results of operations and financial condition.

Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.

Our commercial success depends in part on our avoiding infringement, or allegations of infringement, of the patents and other proprietary rights of third parties. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, oppositions, reexamination, and inter partes review proceedings before the United States Patent and Trademark Office, or USPTO, and corresponding foreign patent offices. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are pursuing development candidates. Many companies in intellectual property-dependent industries, including the biotechnology and pharmaceutical industries, have employed intellectual property litigation as a means to gain an advantage over their competitors. As the biotechnology and pharmaceutical industries expand and more patents are issued, and as we gain greater visibility and market exposure as a public company, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties. Some claimants may have substantially greater resources than we do and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. In addition, patent holding companies that focus solely on extracting royalties and settlements by enforcing patent rights may target us.

Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to composition of matter, drug delivery, methods of manufacture, or methods for treatment related to the use or manufacture of our product candidates. We cannot guarantee that our technologies, products, compositions, and their uses do not or will not infringe third party patent or other intellectual property rights. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our product candidates or the use of our product candidates. After issuance, the scope of patent claims remains subject to construction as determined by an interpretation of the law, the written disclosure in a patent, and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our product candidates. If any third-party patents were held by a court of competent jurisdiction to cover the composition of matter of any of our product candidates, the manufacturing process of any of our product candidates, or the method of use for any of our product candidates, the holders of any such patents may be able to block our ability to commercialize such product candidate unless we obtained a license under the applicable patents, which may not be available or may not be available on commercially reasonable terms, or until such patents expire.

Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates and/or harm our reputation and financial results. Defense of these claims, regardless of their merit, could involve substantial litigation expense and could be a substantial diversion of management and employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products, in the case of claims concerning registered trademarks, rename our product candidates, or obtain one or more licenses from third parties, which may require substantial time and monetary expenditure, and which might be impossible or technically infeasible. Furthermore, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us; alternatively or additionally it could include terms that impede or destroy our ability to compete successfully in the commercial marketplace.

We may be involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe our patents, trademarks, copyrights, or other intellectual property. It may be difficult to detect infringers who do not advertise the components that are used in their products. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product. To counter infringement or unauthorized use, we may be required to file infringement claims on a country-by-country basis, which can be expensive and time-consuming and divert the time and attention of our management and scientific personnel. There can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Any claims we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their patents, in addition to counterclaims asserting that our patents are invalid or unenforceable, or both.

In addition, in an infringement proceeding, a court may decide that a patent of ours is not valid, is unenforceable and/or is not infringed, or may construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated, interpreted narrowly, or held unenforceable, could put our patent applications at risk of not issuing, and could limit our ability to assert those patents against those parties or other competitors and curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks, which could materially harm our business and negatively affect our position in the marketplace.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock.

Recent patent reform legislation has increased the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, and may diminish the value of patents in general.

As is the case with other biopharmaceutical companies, our commercial success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming, and inherently uncertain. Recent wide-ranging patent reform legislation in the United States, including the Leahy-Smith America Invents Act, or the Leahy-Smith Act, could increase those uncertainties and costs.

The Leahy-Smith Act includes a number of significant changes to U.S. patent law, including provisions that affect the way patent applications are prosecuted and may also affect patent litigation. Under The Leahy-Smith Act, the United States transitioned from a "first-to-invent" to a "first-to-file" system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention. This will require us to be cognizant going forward of the time from invention to filing of a patent application and be diligent in filing patent applications, but circumstances could prevent us from promptly filing patent applications on our inventions. The Leahy-Smith Act also enlarged the scope of disclosures that qualify as prior art, and it expanded the scope of procedures that a third party may use to challenge a U.S. patent, including post grant review and inter partes review procedures. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

In addition, recent court rulings in cases such as Association for Molecular Pathology v. Myriad Genetics, Inc., BRCA1- & BRCA2-Based Hereditary Cancer Test Patent Litigation, and Promega Corp. v. Life Technologies Corp. have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO, and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

We may be subject to claims that our employees, consultants, or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

We may employ individuals who were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, and independent contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants, or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of any of our employee's former employers or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, or our ability to hire personnel, which, in any case of the foregoing, could adversely impact our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

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

The USPTO, European, and other patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Periodic maintenance fees, renewal fees, annuity fees, and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. We have systems in place to remind us to pay these fees, and we employ an outside firm and rely on our outside counsel to pay these fees due to non-U.S. patent agencies. The USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. We employ law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market, which could have a material adverse effect on our business.

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

If we initiated legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation.

Such mechanisms include re-examination, post grant review, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover our product candidates.

The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more of our product candidates. Such a loss of patent protection could have a material adverse impact on our business. A defendant could also challenge our ownership of patents assigned to us. We cannot be certain that a third party would not challenge our rights to these patents and patent applications. Any legal proceeding or enforcement action can also be expensive and time-consuming.

Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time.

The term of any individual patent depends on applicable law in the country where the patent is granted. In the United States, provided all maintenance fees are timely paid, a patent generally has a term of 20 years from its application filing date or earliest claimed non-provisional filing date. Extensions may be available under certain circumstances, but the life of a patent and, correspondingly, the protection it affords is limited. Given the amount of time required for the development, testing, and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. For patents that are eligible for extension of patent term, we expect to seek extensions of patent terms in the United

States and, if available, in other countries. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent, which is limited to the approved indication (or any additional indications approved during the period of extension). We might not be granted an extension because of, for example, failure to apply within applicable periods, failure to apply prior to the expiration of relevant patents or otherwise, or failure to satisfy any of the numerous applicable requirements. Moreover, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If this occurs, our competitors may be able to obtain approval of competing products following our patent expiration by referencing our clinical and pre-clinical data and launch their product earlier than might otherwise be the case. If this were to occur, it could have a material adverse effect on our ability to generate revenue.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting, and defending our intellectual property in all countries throughout the world could be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. Therefore, we may choose not to pursue or maintain protection for certain intellectual property in certain jurisdictions. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent such competitors from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuit that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. In addition, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties (for example, the patent owner has failed to "work" the invention in that country, or the third party has patented improvements) or limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of the patent.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our trademarks of interest and our business may be adversely affected.

While we seek to protect the trademarks we use in the United States and in other countries, we may be unsuccessful in obtaining registrations and/or otherwise protecting these trademarks. If that were to happen, we may be prevented from using our names, brands, and trademarks unless we enter into appropriate royalty, license, or coexistence agreements, which may not be available or may not be available on commercially reasonable terms. Over the long term, if we are unable to establish name recognition based on our trademarks, trade names, service marks, and domain names, then we may not be able to compete effectively, resulting in a material adverse effect on our business. Our registered or unregistered trademarks or trade names may be challenged, infringed, diluted, or declared generic, or determined to be infringing on other marks. We rely on both registration and common law protection for our trademarks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trademarks and trade names similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks. Over the long term, if we are unable to establish name recognition based on our trademarks, then we may not be able to compete effectively and our business may be adversely affected. During trademark registration proceedings, we may receive rejections. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our

trademarks may not survive such proceedings. Effective trademark protection may not be available or may not be sought in every country in which our products are made available. Any name we propose to use for our products in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA objects to any of our proposed product names, we may be required to expend significant additional resources in an effort to identify a usable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties, and be acceptable to the FDA. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Our proprietary rights may not adequately protect our technologies and product candidates, and do not necessarily address all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to make products that are the same as or similar to our product candidates but that are not covered by the claims of the patents that we own;
- others, including inventors or developers of our patented technologies who may become involved with competitors, may independently develop similar technologies that function as alternatives or replacements for any of our technologies without infringing our intellectual property rights;
- we might not have been the first to conceive and reduce to practice the inventions covered by our patents or patent applications;
- we might not have been the first to file patent applications covering certain of our patents or patent applications;
- it is possible that our pending patent applications will not result in issued patents;
- it is possible that there are prior public disclosures that could invalidate our patents;
- our issued patents may not provide us with any commercially viable products or competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- the Supreme Court of the United States, other U.S. federal courts, Congress, the USPTO, or similar foreign authorities may change the standards of patentability and any such changes could narrow or invalidate, or change the scope of, our or our collaboration partners' patents;
- patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time;
- our competitors might conduct research and development activities in countries where we do not have patent rights, or in countries where research and development safe harbor laws exist, and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- ownership, validity, or enforceability of our patents or patent applications may be challenged by third parties; and
- the patents of third parties or pending or future applications of third parties, if issued, may have an adverse effect on our business.

Risks Related to Employee Matters and Managing Growth

We will need to expand our organization, and we may experience difficulties in managing this growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of product candidate development, regulatory affairs, and sales, marketing and distribution. As of June 30, 2022, we had 60

full-time employees. To manage our growth activities, we must continue to implement and improve our managerial, operational, and financial systems, expand our facilities, and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. As we expand our organization, we may have difficulty identifying, hiring, and integrating new personnel. Future growth would impose significant additional responsibilities on our management, including the need to identify, recruit, maintain, motivate, and integrate additional employees, consultants, and contractors. Also, our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees, and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of product candidates. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenues could be reduced, and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our product candidates and compete effectively will depend, in part, on our ability to effectively manage any future growth.

Many of the biotechnology and pharmaceutical companies that we compete against for qualified personnel and consultants have greater financial and other resources, different risk profiles, and a longer history in the industry than we do. If we are unable to continue to attract and retain high-quality personnel and consultants, the rate and success at which we can discover and develop product candidates and operate our business will be limited.

If we lose key management or scientific personnel, cannot recruit qualified employees, directors, officers, or other significant personnel, or experience increases in our compensation costs, our business may materially suffer.

We are highly dependent on our management and directors, including our chief executive officer, Maria Palasis, Ph.D., among others. Due to the specialized knowledge each of our officers and key employees possesses with respect to our product candidates and our operations, the loss of service of any of our officers or directors could delay or prevent the successful enrollment and completion of our clinical trials. We do not carry key person life insurance on our officers or directors. Although we have formal employment agreements with our executive officers, these agreements do not prevent them from terminating their employment with us at any time.

In addition, our future success and growth will depend in part on the continued service of our directors, employees, and management personnel and our ability to identify, hire, and retain additional personnel. If we lose one or more of our executive officers or key employees, our ability to implement our business strategy successfully could be seriously harmed. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of, and commercialize product candidates successfully. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain, or motivate these additional key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be engaged by entities other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to develop and commercialize product candidates will be limited.

Many of our employees have become or will soon become vested in a substantial amount of our common stock or a number of common stock options. Our employees may be more likely to leave us if the shares they own have significantly appreciated in value relative to the original purchase prices of the shares, or if the exercise prices of the options that they hold are significantly below the market price of our common stock. Our future success also depends on our ability to continue to attract and retain additional executive officers and other key employees.

We may engage in acquisitions or strategic partnerships that could disrupt our business, cause dilution to our stockholders, reduce our financial resources, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

In the future, we may enter into transactions to acquire other businesses, products, or technologies or enter into strategic partnerships, including licensing. If we do identify suitable acquisition or partnership candidates, we may not be able to make such acquisitions or partnerships on favorable terms, or at all. Any acquisitions or partnerships we make may not strengthen our competitive position, and these transactions may be viewed negatively by customers or investors. We may decide to incur debt in connection with an acquisition or issue our common stock or other equity securities to the stockholders of the acquired company,

which would reduce the percentage ownership of our existing stockholders. We could incur losses resulting from undiscovered liabilities of the acquired business or partnership that are not covered by the indemnification we may obtain from the seller or our partner. In addition, we may not be able to successfully integrate any acquired personnel, technologies, and operations into our existing business in an effective, timely, and non-disruptive manner. Acquisitions or partnerships may also divert management attention from day-to-day responsibilities, lead to a loss of key personnel, increase our expenses, and reduce our cash available for operations and other uses. We cannot predict the number, timing, or size of future acquisitions or partnerships or the effect that any such transactions might have on our operating results.

We or the third parties upon whom we depend may be adversely affected by natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Natural disasters could severely disrupt our operations and have a material adverse effect on our business, results of operations, financial condition, and prospects. If a natural disaster, power outage, or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as the manufacturing facilities on which we rely, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business. For example, following Hurricane Maria, shortages in production and delays in a number of medical supplies produced in Puerto Rico resulted, and any similar interruption due to a natural disaster affecting us or any of our third-party manufacturers could materially delay our operations.

The global pandemic caused by COVID-19 has disrupted and may continue to adversely impact our business and operations, including our clinical trials.

In December 2019, a disease caused by a novel strain of the coronavirus, COVID-19, was identified in Wuhan, China, and on March 11, 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic. This virus has subsequently spread to a number of countries where we have planned or ongoing clinical trials and activities, including the United States, Australia, Austria, Czech Republic, New Zealand, and Poland, and continues to spread globally. The global pandemic and government measures taken in response have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred; supply chains have been disrupted; facilities and production have been suspended; and demand for certain goods and services, such as medical services and supplies, has spiked, while demand for other goods and services, such as travel, has fallen.

In light of developments relating to the COVID-19 pandemic and the focus of healthcare providers and hospitals on fighting the virus, and consistent with the FDA's updated industry guidance for conducting clinical trials issued on March 18, 2020, we discontinued enrollment at 67 patients in our Phase 2 LANTERN clinical trial and we did not open any sites in the United States. Ultimately, LYR-210 did not achieve the primary endpoint in our Phase 2 LANTERN clinical trial, we believe due primarily to the discontinuation of enrollment related to the COVID-19 pandemic. As a result of the decrease in the number of patients enrolled from planned (99 evaluable) to actually enrolled (67), a greater magnitude of change from baseline in 4CSS at week 4 and/or a smaller standard deviation associated with the change from baseline was required in order to achieve statistical significance for the primary endpoint at week 4.

Moreover, although we leveraged remote electronic data collection to enable us to complete certain clinical assessments and generate sufficient information to commence designing our Phase 3 clinical trial, we were unable to enroll patients in our Phase 2 LANTERN clinical trial in the United States from whom we intended to collect certain additional pharmacokinetic data, and as a result, we initiated a separate characterization study in September 2020 as a follow-on to our Phase 2 LANTERN clinical trial in order to collect such data. We are also experiencing delays enrolling patients in our Phase 2 BEACON clinical trial at our sites in Australia as a result of restrictions imposed in response to the COVID-19 pandemic.

As a result of the COVID-19 pandemic, we may experience further disruptions that could severely impact our business and clinical trials, including:

- delays or difficulties in enrolling patients in our planned clinical trials;
- further delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;

- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by foreign, federal, or state governments, employers, and others or interruption of clinical trial subject visits and study procedures, which may impact the integrity of subject data and clinical study endpoints;
- interruption or delays in the operations of the FDA or other regulatory authorities, which may impact review and approval timelines;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages, and disruptions in delivery systems;
- interruptions in planned pre-clinical studies due to restricted or limited operations at our laboratory facility;
- limitations on employee resources that would otherwise be focused on the conduct of our pre-clinical studies and clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- risk that participants enrolled in our clinical trials will acquire COVID-19 while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events;
- refusal of the FDA to accept data from clinical trials in these affected geographies; and
- interruption or delays to our sourced discovery and clinical activities.

Additionally, certain third parties, including manufacturers, medical institutions, clinical investigators, CROs, and consultants with whom we conduct business are similarly adjusting their operations and assessing their capacity in light of the COVID-19 pandemic. If these third parties continue to experience shutdowns or business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively impacted. For example, as a result of the COVID-19 pandemic, there could be delays in the manufacturing supply chain for mometasone furoate, which could delay or otherwise impact the manufacturing of LYR-210. It is also likely that the disproportionate impact of COVID-19 on hospitals and clinical sites will have an impact on recruitment and retention for our planned clinical trials.

The COVID-19 pandemic continues to evolve. The extent to which the COVID-19 pandemic impacts our business and clinical trials will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of COVID-19, the duration of the pandemic, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions, and the effectiveness of actions taken and vaccines and other treatments developed in the United States and other countries to contain and treat COVID-19. The COVID-19 pandemic resulted in a widespread health crisis that adversely affected the economies and financial markets worldwide, resulting in an economic downturn that could continue to significantly impact our business, financial condition, and results of operations. To the extent the COVID-19 pandemic adversely affects our business, financial condition, and results of operations, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

Litigation against us could be costly and time-consuming to defend and could result in additional liabilities.

We may from time to time be subject to legal proceedings and claims that arise in the ordinary course of business or otherwise, such as claims brought by our customers in connection with commercial disputes and employment claims made by our current or former employees. Claims may also be asserted by or on behalf of a variety of other parties, including government agencies, patients, or vendors of our customers, or stockholders.

Any litigation involving us may result in substantial costs, operationally restrict our business, and may divert management’s attention and resources, which may seriously harm our business, overall financial condition, and results of operations. Insurance may not cover existing or future claims, be sufficient to fully compensate us for one or more of such claims, or continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby adversely impacting our results of operations and resulting in a reduction in the trading price of our stock.

Risks Related to Our Common Stock

The market price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock.

Our stock price may be volatile. The stock market in general and the market for smaller biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your common stock at or above the purchase price. The market price for our common stock may be influenced by many factors, including:

- the success of competitive products or technologies;
- actual or expected changes in our growth rate relative to our competitors;
- results of clinical trials of our product candidates or those of our competitors;
- developments related to our existing or any future collaborations;
- regulatory actions with respect to our product candidates or our competitors' products and product candidates;
- regulatory or legal developments in the United States and other countries;
- development of new product candidates that may address our markets and make our product candidates less attractive;
- changes in physician, hospital, or healthcare provider practices that may make our product candidates less useful;
- announcements by us, our partners, or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations, or capital commitments;
- developments or disputes concerning patent applications, issued patents, or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our product candidates or clinical development programs;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- the results of our efforts to discover, develop, acquire, or in-license additional product candidates or products;
- actual or expected changes in estimates as to financial results, development timelines, or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- short selling activities;
- general economic, industry, and market conditions; and
- the other factors described in this "Risk Factors" section and elsewhere in this Quarterly Report on Form 10-Q.

In addition, the trading prices for common stock of other biopharmaceutical companies have been highly volatile as a result of the COVID-19 pandemic. The COVID-19 pandemic continues to evolve. The extent to which the COVID-19 pandemic may impact

our business, pre-clinical studies, and clinical trials will depend on future developments, which are highly uncertain and cannot be predicted with confidence.

Our current executive officers, directors, and principal stockholders, if they choose to act together, will continue to have the ability to control or significantly influence all matters submitted to stockholders for approval.

Based on the number of shares of common stock outstanding as of June 30, 2022, our current executive officers, directors, and stockholders who own more than 5% of our outstanding common stock and their respective affiliates will, in the aggregate, hold shares representing approximately 63.2% of our outstanding voting stock. As a result, if these stockholders choose to act together, they would be able to control or significantly influence all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would control or significantly influence the election of directors, the composition of our management, and approval of any merger, consolidation, or sale of all or substantially all of our assets.

A significant portion of our total outstanding shares are eligible to be sold into the market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. Holders of approximately 13.2 million shares of our common stock have rights, subject to specified conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders, until such shares can otherwise be sold without restriction under Rule 144 or until the rights terminate pursuant to the terms of the ninth amended and restated investor rights agreement between us and such holders. We have also registered all shares of common stock that we may issue under our equity compensation plans, which can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and may remain an emerging growth company until December 31, 2025. However, if certain events occur prior to such date, including if we become a "large accelerated filer," our annual gross revenues exceed $1.07 billion, or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to such date. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this Quarterly Report on Form 10-Q;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting burdens in our Annual Report on Form 10-K filed with the SEC on March 9, 2022. In particular, in that Annual Report on Form 10-K, we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be reduced or more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage

of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline, even if our business is doing well.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property, or our stock performance, or if our target pre-clinical studies or clinical trials and operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We are a "smaller reporting company" and the reduced disclosure requirements applicable to smaller reporting companies may make our common stock less attractive to investors.

We are considered a "smaller reporting company." We are therefore entitled to rely on certain reduced disclosure requirements, such as an exemption from providing executive compensation information. We are also exempt from the requirement to obtain an external audit on the effectiveness of internal control over financial reporting provided in Section 404(b) of the Sarbanes-Oxley Act. These exemptions and reduced disclosures in our SEC filings due to our status as a smaller reporting company may make it harder for investors to analyze our results of operations and financial prospects. 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, there may be a less active trading market for our common stock and our stock prices may be more volatile.

Provisions in our restated certificate of incorporation and amended and restated bylaws and under Delaware law could make an acquisition of our Company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our restated certificate of incorporation and our amended and restated bylaws may discourage, delay, or prevent a merger, acquisition, or other change in control of our Company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions include those establishing:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death, or removal of a director, which prevents stockholders from filling vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our bylaws without obtaining stockholder approval;
- the required approval of the holders of at least two-thirds of the shares entitled to vote at an election of directors to adopt, amend, or repeal our bylaws or repeal the provisions of our restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;

- the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer, the president, or the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and

- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Our restated certificate of incorporation designates specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving claims brought against us by stockholders; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Securities Act, the Exchange Act, the rules and regulations thereunder, or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our restated certificate of incorporation further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our restated certificate of incorporation described above.

We believe these provisions benefit us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes and in the application of the Securities Act by federal judges, as applicable, efficient administration of cases on a more expedited schedule relative to other forums, and protection against the burdens of multi-forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors, officers, employees, and agents as it may limit any stockholder's ability to bring a claim in a judicial forum that such stockholder finds favorable for disputes with us or our directors, officers, employees, or agents. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our restated certificate of incorporation to be inapplicable or unenforceable in such action. If a court were to find the choice of forum provision contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition, or results of operations.

General Risk Factors

We have incurred and expect to continue to incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, we have incurred significant legal, accounting, and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Global Market, and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our legal and financial compliance costs and made some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors.

We are evaluating these rules and regulations, and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and

governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will be required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we are engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing whether such controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. We may discover significant deficiencies or material weaknesses, which we may not successfully remediate on a timely basis or at all. Any failure to remediate any significant deficiencies or material weaknesses identified by us or to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Because we do not anticipate paying any cash dividends on our common shares in the foreseeable future, capital appreciation, if any, would be your sole source of gain.

On March 20, 2012, we declared and paid a special cash dividend of $0.2630467 per share of our common stock, par value $0.001, which we refer to as the Special Dividend, which totaled approximately $42,115 in the aggregate. Other than the Special Dividend, we have never declared or paid any cash dividends on our common shares. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. As a result, capital appreciation, if any, of our common shares would be your sole source of gain on an investment in our common shares for the foreseeable future.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biopharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

Our ability to use our net operating losses and research and development credits to offset future taxable income may be subject to certain limitations.

As of December 31, 2021, we had net operating loss carryforwards, or NOLs, of $176.7 million for federal income tax purposes and $148.4 million for state income tax purposes, which may be available to offset our future taxable income, if any, and begin to expire at various dates through 2037. As of December 31, 2021, we also had federal and state research and development credit carryforwards of $7.9 million, which begin to expire at various dates through 2036. In general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change," generally defined as a greater than 50% change by value in its equity ownership over a three-year period, is subject to limitations on its ability to utilize its pre-change NOLs and its research and development credit carryforwards to offset future taxable income. Our existing NOLs and research and development credit carryforwards may be subject to limitations arising from previous ownership changes. Future changes in our stock ownership, some of which might be beyond our control, could result in an ownership change under Section 382 of the Code. For these reasons, in the event we experience a change of control, we may not be able to utilize a material portion of the NOLs or research and development credit carryforwards even if we attain profitability.

The impact of the Tax Cuts and Jobs Act on our financial results is not entirely clear and could differ materially from the financial statements provided herein.

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act, or TCJA, that significantly reformed the Code. The TCJA, among other things, contained significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%; limitation of the tax deduction for interest expense; limitation of the deduction for NOLs and elimination of NOL carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such tax losses may be carried forward indefinitely); and modifying or repealing many business deductions and credits. The

financial statements contained herein reflect the effects of the TCJA based on current guidance. However, there remain uncertainties and ambiguities in the application of certain provisions of the TCJA, and, as a result, we made certain judgments and assumptions in the interpretation thereof. The U.S. Treasury Department and the Internal Revenue Service may issue further guidance on how the provisions of the TCJA will be applied or otherwise administered that differs from our current interpretation. In addition, the TCJA could be subject to potential amendments and technical corrections, any of which could materially lessen or increase certain adverse impacts of the legislation on us.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and share price.

The global economy, including credit and financial markets, has recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, rising interest and inflation rates, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. If the equity and credit markets continue to deteriorate, or the United States enters a recession, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive. As a result, our business, results of operations and price of our common stock may be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Securities

Other than as disclosed in the Company's Current Report on Form 8-K filed on April 13, 2022, the Company has not sold equity securities in a transaction that is not registered under the Securities Act during the quarter ended June 30, 2022.

Issuer Purchases of Equity Securities

In the quarter ended June 30, 2022, we did not repurchase any shares of our common stock.

Use of Proceeds from Initial Public Offering of Common Stock

On May 5, 2020, we completed the sale of 4,025,000 shares of our common stock, including 525,000 shares pursuant to the full exercise of the underwriters' option to purchase additional shares, at a public offering price of $16.00 per share. The offer and sale of the shares in our initial public offering, or IPO, was registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-236962), which was declared effective by the SEC on April 30, 2020 (the "Registration Statement").

There has been no material change in the planned use of proceeds from our IPO as described in our final prospectus for our IPO dated April 30, 2020 and filed pursuant to Rule 424(b)(4) under the Securities Act on May 1, 2020. We invested the funds received in cash equivalents and other short-term investments in accordance with our investment policy.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description	Form or Schedule	Exhibit No.	Filing Date with SEC	SEC File Number
3.1	Restated Certificate of Incorporation of the Registrant	8-K	3.1	May 5, 2020	001-39273
3.2	Amended and Restated Bylaws of the Registrant	8-K	3.2	May 5, 2020	001-39273
4.1	Specimen Stock Certificate evidencing the shares of Common Stock of the Registrant	S-1	4.2	April 27, 2020	333-236962
4.2*	Lease Agreement, dated May 31, 2022, between the Registrant, as the tenant, and BXP Waltham Woods LLC, as the landlord				
4.3*	First Amendment to Lease Agreement, dated July 20, 2022, between Registrant, as the tenant, and BXP Waltham Woods LLC, as the landlord				
10.1*	Amendment No. 1 to Lyra Therapeutics, Inc. 2022 Inducement Award Plan				
10.2*	Amendment No. 2 to Lyra Therapeutics, Inc. 2022 Inducement Award Plan				
10.3*	Employment Agreement by and between the Registrant and Richard Nieman, M.D.				
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
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*	Inline XBRL Instance Document – the Instance Document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104*	Cover Page Interactive Date File (embedded within the Inline XBRL document)				

* Filed herewith.

\+ Furnished herewith.

SIGNATURES

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

LYRA THERAPEUTICS, INC.

Date: August 9, 2022

By: /s/ Maria Palasis, Ph.D.
Maria Palasis, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 9, 2022

By: /s/ Jason Cavalier
Jason Cavalier
Chief Financial Officer
(Principal Financial and Accounting Officer)

WALTHAM WOODS CORPORATE CENTER
880 WINTER STREET
WALTHAM, MASSACHUSETTS

Lease Dated May 31, 2022 (the "Execution Date")

THIS INSTRUMENT IS AN INDENTURE OF LEASE in which the Landlord and the Tenant are the parties hereinafter named, and which relates to space in a certain building (the "Building") known as, and with an address at, 880 Winter Street, Waltham, Massachusetts 02451.

The parties to this Indenture of Lease hereby agree with each other as follows:

ARTICLE I

Reference Data

1.1 Subjects Referred To

Each reference in this Lease to any of the following subjects shall be construed to incorporate the data stated for that subject in this Article:

Landlord:	BXP Waltham Woods LLC, a Delaware limited liability company
Landlord's Original Address	c/o Boston Properties Limited Partnership Prudential Center 800 Boylston Street, Suite 1900 Boston, Massachusetts 02199-8103
Landlord's Construction Representative:	Name/Email: Phil Cregg pcregg@bxp.com
Tenant:	Lyra Therapeutics, Inc., a Delaware corporation
Tenant's Original Address:	480 Arsenal Way Watertown, MA 02472
Tenant's Construction Representative:	Name/Email: jcavalier@lyratx.com
Tenant's Email Address for Insurance Matters:	jcavalier@lyratx.com
Commencement Date:	As defined in Section 2.4 of this Lease.
Rent Commencement Date:	The date that is two (2) months after the Commencement Date.
Estimated Commencement Date:	May 1, 2023
Term or Lease Term (sometimes called the "Original Term"):	Ten (10) years following the Rent Commencement Date (plus the partial month, if any, immediately following the Rent Commencement Date), unless extended or sooner terminated as provided in this Lease.
Extension Option:	One (1) period of five (5) years as provided in and on the terms set forth in Section 9.18 hereof.
The Site:	That certain parcel of land known as and numbered 880 Winter Street, Waltham, Middlesex County, Massachusetts.
The Building:	The Building known as and numbered 880 Winter Street, Waltham, Massachusetts.
The Property:	The Building together with all common areas, parking areas and decks located on the Site.
Office Park:	That certain office park known as Waltham Woods Corporate Center, containing the Property and an adjacent parcel of land with an additional building known as and numbered 890 Winter Street, Waltham, Massachusetts, which Office Park is more particularly described in Exhibit A attached hereto.
Tenant's Premises:	A portion of the second (2nd) floor of the Building in accordance with the floor plan annexed hereto as Exhibit D and incorporated herein by reference.
Number of Parking Spaces:	Eighty-seven (87) (being three (3) spaces per 1,000 square feet of the Rentable Floor Area of the Premises). Eighty-two (82) of such spaces shall be unreserved parking spaces ("Unreserved Parking Spaces") and five (5) of such spaces shall be reserved spaces ("Garage Parking Spaces") located generally within the garage ("Garage") underneath the Building.
Annual Fixed Rent:	(a) From and after the Rent Commencement Date and through the remainder of the Original Term of this Lease, Annual Fixed Rent shall be payable by Tenant as follows: Rent YearRate PSFAnnual Fixed RentRent Year 1$75.50 $2,178,779.00 Rent Year 2$77.77 $2,244,286.66 Rent Year 3$80.10 $2,311,525.80 Rent Year 4$82.50 $2,380,785.00 Rent Year 5$84.98 $2,452,352.84 Rent Year 6$87.53

	$2,525,940.74 Rent Year 7$90.15 $2,601,548.70 Rent Year 8$92.86 $ 2,679,753.88 Rent Year 9$95.64 $2,759,979.12 Rent Year 10$98.51 $2,842,801.58 (b) During the extension option period (if exercised), as determined pursuant to Section 9.18.
Rent Year:	Rent Year 1 shall be the twelve-(12)-month period commencing as of the Rent Commencement Date, except that if the Rent Commencement Date occurs on other than the first day of a calendar month, then Rent Year 1 shall commence as of the Rent Commencement Date and shall end on the last day of the calendar month in which the first anniversary of the Rent Commencement Date occurs. Each Rent Year after Rent Year 1 shall be the twelve-(12)-month period immediately following the preceding Rent Year.
Additional Rent:	All charges and other sums payable by Tenant as set forth in this Lease, in addition to Annual Fixed Rent.
Rentable Floor Area of the Premises:	Approximately 28,858 square feet. Neither Landlord nor Tenant shall have the right to re-measure the Premises following the date of execution of this Lease.
Total Rentable Floor Area of the Building:	Approximately 243,615 square feet.
Tenant's Share:	A fraction, the numerator of which is the Rentable Floor Area of the Premises and the denominator of which is the Total Rentable Floor Area of the Building. As of the date of execution of this Lease, Tenant's Share with respect to the Premises is 11.85%.
Permitted Use:	Subject to Legal Requirements, research, development and laboratory use together with general office uses related to the same, and other ancillary uses related to the foregoing.
Broker:	JLL
Security Deposit:	$1,089,389.00.
Guarantor:	None.

1.2 Table of Articles and Sections

Exhibits

There are incorporated as part of this Lease:

Exhibit A --Description of Office Park

Exhibit B-1 --Work Agreement

Exhibit B-2 --Base Building Spec

Exhibit B-3 --Fit Plan

Exhibit B-4 --Equipment Matrix

Exhibit B-5 --RCP Plan

Exhibit B-6 --Long Lead Item List

Exhibit C --Landlord's Services

Exhibit D --Floor Plan

Exhibit D-1 --Plan of Location of Emergency Generator

Exhibit D-2 --Plan of Location of pH Neutralization System

Exhibit E --Form of Declaration Affixing the Commencement Date of Lease

Exhibit F --Form of Letter of Credit

Exhibit G --Intentionally Deleted

Exhibit H --Form of Certificate of Insurance

Exhibit I --List of Mortgages

Exhibit J --Intentionally Omitted

Exhibit K --Broker Determination of Prevailing Market Rent

ARTICLE II

Building, Premises, Term and Rent

2.1 The Premises

Landlord hereby demises and leases to Tenant, and Tenant hereby hires and accepts from Landlord, Tenant's Premises in the Building excluding exterior faces of exterior walls, the common stairways and stairwells, elevators and elevator wells, fan rooms, electric and telephone closets, janitor closets, freight elevator vestibules, and pipes, ducts, conduits, wires and appurtenant fixtures serving exclusively or in common other parts of the Building and if Tenant's Premises includes less than the entire rentable area of any floor, excluding the common corridors, elevator lobbies and restrooms located on such floor. Tenant's Premises with such exclusions is hereinafter referred to as the "Premises."

2.1.1 [Intentionally Omitted]

2.2 Rights to Use Common Facilities

Subject to Landlord's right to change or alter any of the following in Landlord's discretion as herein provided, Tenant shall have, as appurtenant to the Premises, the non- exclusive right to use in common with others, subject to reasonable rules of general applicability to tenants of the Building from time to time made by Landlord of which Tenant is given notice (a) the common lobbies, corridors, stairways, elevators and loading platform of the Building, and the pipes, ducts, conduits, wires and appurtenant meters and equipment serving the Premises in common with others, (b) common walkways and driveways necessary for access to the Building, and (c) if the Premises include less than the entire rentable floor area of any floor, the common restrooms, corridors and elevator lobby of such floor. Notwithstanding anything to the contrary herein, Landlord has no obligation to allow any particular telecommunication service provider to have access to the Building or to the Premises except as may be required by applicable law. If Landlord permits such access, Landlord may condition such access upon the payment to Landlord by the service provider of fees assessed by Landlord in its sole discretion.

2.2.1 Tenant's Parking

In addition, Tenant shall have the right to use, at no additional cost, in the parking areas on the Site the Number of Parking Spaces (referred to in Section 1.1) for the parking of automobiles in Unreserved Parking Spaces, and excepting for the Reserved Parking Spaces, in common with use by other tenants from time to time of the Property, provided, however, that Landlord shall not be obligated to furnish stalls or spaces on the Site specifically designated for Tenant's use. In the event that the Rentable Floor Area of the

Premises decreases at any time during the Lease Term, the Number of Parking Spaces provided to Tenant hereunder shall be reduced proportionately. Tenant covenants and agrees that it and all persons claiming by, through and under it, shall at all times abide by all reasonable rules and regulations promulgated by Landlord with respect to the use of the parking areas on the Site and in the Garage. The parking privileges granted herein are non-transferable except to a permitted assignee or subtenant as provided in Section 5.7. Further, Landlord assumes no responsibility whatsoever for loss or damage due to fire, theft or otherwise to any automobile(s) parked on the Site or in the Garage or to any personal property therein, however caused, and Tenant covenants and agrees, upon request from Landlord from time to time, to notify its officers, employees, agents and invitees of such limitation of liability. Tenant acknowledges and agrees that a license only is hereby granted, and no bailment is intended or shall be created.

2.3 Landlord's Reservations

So long as such changes do not materially adversely affect or unreasonably interfere with Tenant's use of the Premises, and that Landlord provides reasonable notice prior to making such changes to the extent such changes are within the Premises, Landlord reserves the right from time to time: (a) to install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building, or either, pipes, ducts, conduits, wires and appurtenant fixtures, wherever located in the Premises or Building, (b) to perform, or cause to be performed, construction in the common areas and facilities or other leased areas on the Property or in the Office Park and (c) to reduce, increase, enclose or otherwise change at any time and from time to time the size, number, location, lay-out and nature of the common areas and facilities and other tenancies and premises on the Property or in the Office Park, to create additional rentable areas through use or enclosure of common areas, and to dedicate roads within the Office Park for public use. Installations, replacements and relocations referred to in clause (a) above shall be located only in the central core area of the Building, above ceiling surfaces, below floor surfaces or within perimeter walls of the Premises.

Landlord reserves and excepts for its benefit all rights of ownership and use in all respects outside the Premises, including without limitation, the Building and all other structures and improvements and parking areas and common areas in the Office Park or on the Site. Without limitation of the foregoing reservation of rights by Landlord, it is understood that in its sole discretion Landlord shall have the right to change and rearrange the common areas, to change, relocate and eliminate facilities therein, to erect new buildings thereon, to permit the use of or lease all or part thereof and to sell, lease or dedicate all or part thereof to public use; and further that Landlord, shall have the right to make changes in, additions to and eliminations from the Building and other structures and improvements in the Office Park or on the Site, the Premises excepted; provided however that Tenant, its employees, agents, clients, customers, and invitees shall at all times have reasonable access to the Building and Premises and the access to and visibility of the Premises shall not be materially diminished.

2.4 Habendum

Tenant shall have and hold the Premises for a period commencing on the earlier of (a) that date on which the Landlord's Work is Substantially Completed (as defined in Exhibit B-1 hereof), or (b) that date on which Tenant commences occupancy of any portion of the Premises for the Permitted Uses (such date being the "Commencement Date"), and continuing for the Term unless sooner terminated pursuant to the provisions of this Lease or unless extended as provided

in Section 9.18.

As soon as may be convenient after the date has been determined on which the Term commences as aforesaid, Landlord and Tenant agree to join with each other in the execution of a written Declaration Affixing the Commencement Date of Lease, in the form of Exhibit E, in which the date on which the Term commences as aforesaid and the Term of this Lease shall be stated. If Tenant fails to execute such Declaration Affixing the Commencement Date of Lease, the Commencement Date and Lease Term shall be as reasonably determined by Landlord in accordance with the terms of this Lease.

2.5 Fixed Rent Payments

Tenant agrees to pay to Landlord, on the Rent Commencement Date and thereafter monthly, in advance, (1) on the first day of each and every calendar month during the Original Term, a sum equal to one twelfth (1/12th) of the Annual Fixed Rent (sometimes hereinafter referred to as "fixed rent") and (2) on the first day of each and every calendar month during the extension option period (if exercised), a sum equal to (a) one twelfth (1/12th) of the Annual Fixed Rent as determined in Section 9.18 for the extension option period. Until notice of some other designation is given, fixed rent and all other charges for which provision is herein made shall be paid by remittance to or for the order of Landlord either (i) via the VersaPay ARC, Boston Properties on-line Tenant Portal for which an invite will be sent to Tenant from the VersaPay ARC platform from the email address noreply@versapay.com (please contact Landlord at ARDept@bxp.com with any inquiries respecting VersaPay), (ii) by ACH transfer to Bank of America in Dallas, Texas, Bank Routing Number 111 000 012 referencing Account Number 3756454460, Account Name of Boston Properties, LP, Tenant's name and the Property address or (iii) by mail to P.O. Box 3557, Boston, Massachusetts 02241-3557.

Annual Fixed Rent for any partial month shall be paid by Tenant to Landlord at such rate on a pro rata basis, and, if the Rent Commencement Date is a day other than the first day of a calendar month, the first payment of Annual Fixed Rent which Tenant shall make to Landlord shall be a payment equal to a proportionate part of such monthly Annual Fixed Rent for the partial month from the Rent Commencement Date to the first day of the succeeding calendar month.

Additional Rent payable by Tenant on a monthly basis, as hereinafter provided, likewise shall be prorated, and the first payment on account thereof shall be determined in similar fashion but shall commence on the Commencement Date (unless otherwise stated herein); and other provisions of this Lease calling for monthly payments shall be read as incorporating this undertaking by Tenant.

The Annual Fixed Rent and all other charges for which provision is herein made shall be paid by Tenant to Landlord, without offset, deduction or abatement except as otherwise specifically set forth in this Lease.

2.6 Operating Expenses

"Landlord's Operating Expenses" means the cost of operation of the Building and the Site (including, without limitation, costs associated with the operation of other portions of the Office Park and other off site areas pursuant to matters of record, to the extent allocable to the Property) which shall exclude costs of special services rendered to tenants (including Tenant) for which a separate charge is made, but shall include, without limitation, the following: premiums for

insurance carried with respect to the Building and the Site (including, without limitation, liability insurance, insurance against loss in case of fire or casualty and insurance of monthly installments of fixed rent and any Additional Rent which may be due under this Lease and other leases of space in the Building for not more than 12 months in the case of both fixed rent and Additional Rent and if there be any first mortgage of the Property, including such insurance as may be required by the holder of such first mortgage); compensation and all fringe benefits, worker's compensation insurance premiums and payroll taxes paid to, for or with respect to all persons engaged in the operating, maintaining or cleaning of the Building or Site; water, sewer, electric, gas, oil and telephone charges associated with the common areas of the Building and the Site (excluding utility charges separately chargeable to tenants); cost of building and cleaning supplies and equipment; cost of maintenance, cleaning and repairs (other than repairs not properly chargeable against income or reimbursed from contractors under guarantees); cost of snow removal and care of landscaping; cost of operating, maintaining and cleaning the cafeteria, fitness center, shuttle services, any shared conference facilities or any other amenities serving the Building; payments under service contracts with independent contractors; management fees at reasonable rates for self-managed buildings consistent with the type of occupancy and the service rendered, but in no event in excess of three percent (3%) of the aggregate base rents collected at the Building; costs of maintaining a regional property management office in connection with the operation, management and maintenance of the Building; all costs of applying and reporting for the Building or any part thereof to seek or maintain certification under the U.S. EPA's Energy Star® rating system, the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system or a similar system or standard; and all other reasonable and necessary expenses paid in connection with the operation, cleaning and maintenance of the Building and the Site and properly chargeable against income. Landlord's Operating Expenses shall include depreciation for capital expenditures made by Landlord during the Lease Term (i) to reduce Landlord's Operating Expenses if Landlord shall have reasonably determined that the annual reduction in Landlord's Operating Expenses shall exceed depreciation therefor or (ii) to comply with applicable laws, rules, regulations, requirements, statutes, ordinances, by-laws and court decisions of all public authorities which are now or hereafter in force (the capital expenditures described in subsections (i) and (ii) being hereinafter referred to as "Permitted Capital Expenditures"), plus in the case of both (i) and (ii) an interest factor, reasonably determined by Landlord, as being the interest rate then charged for long term mortgages by institutional lenders on like properties within the locality in which the Building is located, and depreciation in the case of both (i) and (ii) shall be determined by dividing the original cost of such capital expenditure by the number of years of useful life of the capital item acquired and the useful life shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital item; provided, however, if Landlord reasonably concludes on the basis of engineering estimates that a particular capital expenditure will effect savings in other Landlord's Operating Expenses, including, without limitation, energy related costs, and that such projected savings will, on an annual basis ("Projected Annual Savings"), exceed the annual depreciation therefor, then and in such event the amount of depreciation for such capital expenditure shall be increased to an amount equal to the Projected Annual Savings; and in such circumstance, the increased depreciation (in the amount of the Projected Annual Savings) shall be made for such period of time as it would take to fully amortize the cost of the item in question, together with interest thereon at the interest rate as aforesaid in equal monthly payments, each in the amount of 1/12th of the Projected Annual Savings, with such payment to be applied first to interest and the balance to principal.

Notwithstanding the foregoing, the following costs and expenses shall be excluded from Landlord's Operating Expenses:

1. principal or interest on indebtedness, debt amortization or ground rent paid by Landlord in connection with any mortgages, deeds of trust or other financing encumbrances, or ground leases of the Building;

2. the cost of any items to the extent to which such cost is reimbursed to Landlord by tenants of the Property (other than pursuant to this Section 2.6), or other third parties, or is covered by a warranty to the extent of reimbursement for such coverage;

3. capital improvements to the Property other than those provided in this Section 2.6;

4. the cost of repairs incurred by reason of fire or other casualty, or condemnation (other than costs not in excess of the deductible on any insurance maintained by Landlord which provides a recovery for such repair or replacement), to the extent Landlord actually receives proceeds of property and casualty insurance policies or condemnation awards or would have received such proceeds had Landlord maintained the insurance required to be maintained by Landlord under this Lease;

5. expenditures for any leasehold improvement which is made in connection with the preparation of any portion of the Building for occupancy by any tenant or which is not made generally to or for the benefit of the Building or Office Park;

6. the cost of performing work or furnishing service to or for any tenant other than Tenant, at Landlord's expense, to the extent such work or service is in excess of any work or service Landlord is obligated to provide to Tenant or generally to other tenants in the Building at Landlord's expense;

7. legal fees, space planner's fees, architect's fees, leasing and brokerage commissions, advertising and promotional expenditures and any other marketing expense incurred in connection with the leasing of space in the Building (including new leases, lease amendments, lease terminations and lease renewals);

8. interest, fines or penalties for late payment or violations of Legal Requirements by Landlord~~,~~ if any, except to the extent incurring such expense is either (a) a reasonable business expense under the circumstances or (b) caused by a corresponding late payment or violation of a Legal Requirement by Tenant, in which event Tenant shall be responsible for the full amount of such expense;

9. except as may be otherwise expressly provided in this Lease with respect to specific items, the cost of any services or materials provided by any party related to Landlord, to the extent such cost exceeds, the reasonable cost for such services or materials absent such relationship in buildings similar to the Building in the vicinity of the Building;

10. costs and expenses incurred for the administration of the entity which constitutes Landlord, as the same are distinguished from the costs of operation, management, maintenance and repair of the Property and Office Park, including, without limitation, entity accounting and legal matters;

11. the cost of remediation and removal of "Hazardous Materials" (as that term is defined in Section 5.4(b) below) in the Building or on the Office Park required by "Environmental Laws" (as that term is defined in Section 5.4(a) below), provided, however, that the provisions of this clause 11 shall not preclude the inclusion of costs with respect to materials (whether existing at the Property as of the date of this Lease or subsequently introduced to the Property) which are not as of the date of this Lease (or as of the date of introduction) deemed to be Hazardous Materials under applicable Hazardous Materials Laws but which are subsequently deemed to be Hazardous Materials under applicable Hazardous Materials Laws (it being understood and agreed that Tenant shall nonetheless be responsible under Section 5.4(e) of this Lease for all costs of remediation and removal of Hazardous Materials to the extent caused by Tenant Parties;

12. contributions to charitable or political organizations in excess of amounts typically spent for such contributions in Class A office buildings of comparable quality in the competitive area of the Building;

13. nonrecurring costs for the repair or replacement of any structural portion of the Building made necessary as a result of latent defects in the original design, workmanship or materials;

14. the cost of acquiring sculptures, paintings or other objects of fine art in the Building in excess of amounts typically spent for such items in Class A office buildings of comparable quality in the competitive area of the Building; and

15. fees, costs and expenses incurred by Landlord in connection with or relating to claims against or disputes with tenants of the Building.

To the extent that Landlord owns other buildings in the Office Park, Landlord's Operating Expenses that relate to the common areas of the Office Park (and not exclusively to the Building or exclusively to any other buildings within the Office Park) shall be reasonably allocated by Landlord among all such buildings in the Office Park.

In the event any facilities, services or utilities used in connection with the Building are provided from another building owned or operated by Landlord in the Office Park, or vice versa, the costs
incurred by Landlord in connection therewith shall be allocated to Landlord's Operating
Expenses by Landlord on a reasonably equitable basis.

Commencing as of the Rent Commencement Date and continuing thereafter throughout the remainder of the Term of the Lease, Tenant shall pay to Landlord, as Additional Rent, Tenant's Share of Operating Expenses at the time and in the fashion herein provided for the payment of Annual Fixed Rent. Landlord may make a good faith estimate of Tenant's Share of Operating Expenses for any fiscal year or part thereof during the Term, and Tenant shall pay to Landlord, on the Rent Commencement Date and on the first (1st) day of each calendar month thereafter, an amount equal to Tenant's Share of Operating Expenses for such fiscal year and/or part thereof divided by the number of months therein. Landlord may estimate and re-estimate Tenant's Share of Operating Expenses and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Tenant's Share of Operating Expenses shall be appropriately adjusted in accordance with the estimations so that, by the end of the calendar year in question, Tenant shall have paid all of Tenant's Share of Operating Expenses as estimated by Landlord.

Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Operating Expenses are available for each calendar year. As of the date of execution of this Lease, the Property's calendar year is January 1 – December 31.

If the Rent Commencement Date or the expiration date of the Lease Term occurs in the middle of a calendar year, Tenant shall be liable for only that portion of the Operating Expenses with respect to such calendar year within the Term.

Not later than one hundred and twenty (120) days after the end of the first calendar year or fraction thereof ending December 31 and of each succeeding calendar year during the Term or fraction thereof at the end of the Term, Landlord shall render Tenant a statement in reasonable detail and according to usual accounting practices certified by a representative of Landlord, showing for the preceding calendar year or fraction thereof, as the case may be, Landlord's Operating Expenses. Said statement to be rendered to Tenant shall also show for the preceding year or fraction thereof as the case may be the amounts of Operating Expenses already paid by Tenant as Additional Rent, and the amount of Operating Expenses remaining due from, or overpaid by, Tenant for the year or other period covered by the statement. Within thirty (30) days after the date of delivery of such statement, Tenant shall pay to Landlord the balance of the amounts, if any, required to be paid pursuant to the above provisions of this Section 2.6 with respect to the preceding year or fraction thereof, or Landlord shall credit any amounts due from it to Tenant pursuant to the above provisions of this Section 2.6 against (i) monthly installments of Annual Fixed Rent next thereafter coming due or (ii) any sums then due from Tenant to Landlord under this Lease (or refund such portion of the overpayment as aforesaid if the Term has ended and Tenant has no further obligation to Landlord).

Notwithstanding the foregoing, in determining the amount of Landlord's Operating Expenses for any calendar year or portion thereof falling within the Lease Term, if less than ninety-five percent (95%) of the Total Rentable Floor Area of the Building shall have been occupied by tenants at any time during the period in question, then, at Landlord's election, those components of Landlord's Operating Expenses that vary based on occupancy for such period shall be adjusted to equal the amount such components of Landlord's Operating Expenses would have been for such period had occupancy been ninety-five percent (95%) throughout such period.

Subject to the provisions of this paragraph and provided no Event of Default of Tenant exists, Tenant shall have the right, at Tenant's cost and expense, to examine all documentation and calculations prepared in the determination of Operating Expenses:

1. Such documentation and calculation shall be made available to Tenant at the offices where Landlord keeps such records during normal business hours within a reasonable time after Landlord receives a written request from Tenant to make such examination.

2. Tenant shall have the right to make such examination no more than once in respect of any period in which Landlord has given Tenant a statement of the actual amount of Operating Expenses.

3. Any request for examination in respect of any Operating Year may be made no more than sixty (60) days after Landlord advises Tenant of the actual amount of Operating Expenses in respect of such period.

4. Such examination may be made only by a national recognized independent certified public accounting firm approved by Landlord. Landlord approves Cyberlease, LLC as an examiner in connection with any such examination. Without limiting Landlord's approval rights, Landlord may withhold its approval of any examiner of Tenant who is, or has, within the last five years prior to Tenant's request, represented any other tenant in the Building or in other buildings owned by Landlord or an affiliate of Landlord, or any examiner of Tenant who is being paid by Tenant on a contingent fee basis. .

As a condition to performing any such examination, Tenant and its examiners shall be required to execute and deliver to Landlord an agreement, in form acceptable to Landlord, agreeing to keep confidential any information which it discovers about Landlord or the Building in connection with such examination. Without limiting the foregoing, such examiners shall be required to agree that they will not represent any other tenant in the Building or in the other buildings owned by Landlord or an affiliate of Landlord.

If Landlord has not billed or invoiced Tenant for any Landlord's Operating Expenses within three (3) years from the end of the calendar year in which the charge was incurred, Landlord shall have waived its right to such Additional Rent or charges and Tenant shall be relieved of all further liability for such payments.

2.7 Real Estate Taxes

Commencing as of the Rent Commencement Date and continuing thereafter throughout the remainder of the Term of the Lease, Tenant shall pay to Landlord, as Additional Rent, Tenant's Share of Real Estate Taxes at the time and in the fashion herein provided for the payment of Annual Fixed Rent. Landlord may make a good faith estimate of the Real Estate Taxes to be due by Tenant for any Tax Year or part thereof during the Term, and Tenant shall pay to Landlord, on the Rent Commencement Date and on the first (1st) day of each calendar month thereafter, an amount equal to Tenant's Share of Real Estate Taxes for such Tax Year or part thereof divided by the number of months therein. Landlord may estimate and re-estimate Tenant's Share of Real Estate Taxes and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Tenant's Share of Real Estate Taxes shall be appropriately adjusted in accordance with the estimations so that, by the end of the Tax Year in question, Tenant shall have paid all of Tenant's Share of Real Estate Taxes as estimated by Landlord. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Real Estate Taxes are available for each Tax Year. If the total of such monthly remittances is greater than Tenant's Share of Real Estate Taxes actually due for such Tax Year, then, provided no Event of Default has occurred nor any event which, with the passage of time and/or the giving of notice would constitute an Event of Default, Tenant may credit the difference against the next installment of Additional Rent on account of Real Estate Taxes due hereunder, except that if such difference is determined after the end of the Term, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord. If the total of such remittances is less than Tenant's Share of Real Estate Taxes actually due for such Tax Year, Tenant shall pay the difference to Landlord, as Additional Rent hereunder, within ten (10) days of Tenant's receipt of an invoice therefor. Landlord's estimate for the next Tax Year shall be based upon actual Real Estate Taxes for the prior Tax Year plus a reasonable adjustment based upon estimated increases in Real Estate Taxes. The provisions of this Section 2.7 shall survive the expiration or earlier termination of this Lease.

Expenditures for legal fees and for other expenses incurred in seeking the tax refund or abatement may be charged against the tax refund or abatement before the adjustments are made for the Tax Year. Only Landlord shall have the right to institute tax reduction or other proceedings to reduce Real Estate Taxes or the valuation of the Building and the Site.

To the extent that Real Estate Taxes shall be payable to the taxing authority in installments with respect to periods less than a Tax Year, the foregoing statement shall be rendered and payments made on account of such installments.

Landlord estimated Real Estate Taxes for calendar year 2020 at $5.50 per rentable square foot,

Terms used herein are defined as follows:

(i) "Tax Year" means the twelve-month period beginning July 1 each year during the Term or if the appropriate governmental tax fiscal period shall begin on any date other than July 1, such other date.

(iii) "Real Estate Taxes" means all taxes and special assessments of every kind and nature and user fees and other like fees assessed by any governmental authority (including, but not limited to, any tax, assessment or charge resulting from the creation of a special improvement district) on the Building or Site which the Landlord shall become obligated to pay because of or in connection with the ownership, leasing and operation of the Site, the Building and the Property (including without limitation, if applicable, the excise prescribed by Massachusetts General Laws (Ter Ed) Chapter 121A, Section 10 and amounts in excess thereof paid to the City of Waltham pursuant to agreement between Landlord and the City) and reasonable expenses of and fees for any formal or informal proceedings for negotiation or abatement of taxes. The amount of special taxes or special assessments to be included shall be limited to the amount of the installment (plus any interest, other than penalty interest, payable thereon) of such special tax or special assessment required to be paid during the year in respect of which such taxes are being determined. There shall be excluded from such taxes all income, estate, succession, inheritance and transfer taxes, and any late fees, penalties, or interest due to Landlord's failure to timely pay Real Estate Taxes; provided, however, that if at any time during the Term the present system of ad valorem taxation of real property shall be changed so that in lieu of the whole or any part of the ad valorem tax on real property there shall be assessed on Landlord a capital levy or other tax on the gross rents received with respect to the Site or Building or Property, federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy or charge (distinct from any now in effect in the jurisdiction in which the Property is located) measured by or based, in whole or in part, upon any such gross rents, then any and all of such taxes, assessments, levies or charges, to the extent so measured or based, shall be deemed to be included within the term "Real Estate Taxes" but only to the extent that the same would be payable if the Site and Buildings were the only property of Landlord.

(iv) If the Rent Commencement Date or the Expiration Date occurs in the middle of a Tax Year, Tenant shall be liable for only that portion of the Taxes, as the case

may be, with respect to such Tax Year within the Term.

If Landlord has not billed or invoiced Tenant for any Real Estate Taxes within three (3) years from the end of the Tax Year in which the Real Estate Taxes were assessed, Landlord shall have waived its right to such Additional Rent or charges and Tenant shall be relieved of all further liability for such payments.

2.8 Premises Utilities Charges

2.8.1 Electricity.

As part of Landlord's Work (as defined in Exhibit B-1 attached hereto), Landlord shall install utility meters and/or check meters to monitor the usage of electricity in and/or serving the Premises (including, without limitation, electricity for lights, plugs and HVAC) ("Premises Electricity"). Tenant acknowledges that the electrical infrastructure serving the Premises will be delivered in "as-is" condition on the Commencement Date. Tenant shall be separately billed by Landlord for all such Premises Electricity without any mark-up over the actual cost of such electricity. Tenant shall pay to Landlord, in advance, on the first day of each and every calendar month during the Term, an amount reasonably estimated by Landlord from time to time to cover Tenant's monthly payments for Premises Electricity and Tenant shall pay such monthly charges to Landlord, as Additional Rent, in the fashion herein provided for the payment of Annual Fixed Rent. Beginning in the second (2nd) full Operating Year (as defined below), Landlord shall base such estimated payment amounts on Tenant's actual consumption of Premises Electricity during the immediately preceding Operating Year. After the end of each Operating Year, Landlord shall provide to Tenant a statement (each, an "Electric Statement") of the actual amount of Premises Electricity consumed during the preceding Operating Year. Said Utility Statement to be rendered to Tenant also shall show, for the preceding Operating Year, the amount already paid by Tenant on account of Premises Electricity, and the amount remaining due from, or overpaid by, Tenant for such Operating Year covered by the Electric Statement based on the check meter readings taking into account and reflecting the monthly estimated payments made by Tenant pursuant to this Section. Within thirty (30) days after the date of delivery of such Electric Statement, Tenant shall pay to Landlord the balance of the amounts, if any, required to be paid pursuant to the above provisions of this Section with respect to the preceding Operating Year, or Landlord shall credit any amounts due from it to Tenant pursuant to the above provisions of this Section against (i) monthly installments of Annual Fixed Rent next thereafter coming due or (ii) any sums then due from Tenant to Landlord under this Lease (or refund such overpayment within 60 days as aforesaid if the Term has ended and Tenant has no further monetary obligation to Landlord). Further, Landlord may send periodic statements during any Operating Year showing, for the preceding billing period(s), the costs of furnishing Premises Electricity to the Premises. If such periodic, mid-Operating Year statements show that Tenant's actual usage of Premises Electricity is greater or less than the preceding Operating Year's actual usage upon which Tenant's estimated payments are then being based, then Landlord may adjust such estimated payments accordingly for the remainder of such Operating Year (with the same true-up process set forth above to occur at the end of the applicable Operating Year). As used herein, "Operating Year" shall mean a period of twelve (12) consecutive calendar months, commencing on the first day of January in each year, except that the first Operating Year of the Lease Term hereof shall be the period commencing on the Commencement Date and ending on December 31 of the same calendar year, and the last Operating Year of the Term hereof shall be the period commencing on January

1 of the calendar year in which the Lease Term ends, and ending with the date on which the Lease Term ends.

2.8.2Gas.

As part of Landlord's Work, Landlord shall install a utility meter to monitor the usage of gas in and/or serving the Premises. Promptly following the Commencement Date, Tenant shall establish an account directly with the utility companies or providers and shall make payment, not later than the due date therefor, of all charges associated with the meter(s) measuring consumption of all gas in and/or serving the Premises for Tenant (including, without limitation natural gas associated with use of Tenant's Emergency Back-Up Equipment). Tenant further covenants and agrees to defend, save harmless and indemnify Landlord against all liability, cost and damage incurred by Landlord that arises out of or is in any way connected to Tenant's payment, nonpayment or late payment of any charges or deposits to such gas utility companies or providers.

2.8.3

Water. As part of Landlord's Work, Landlord shall install a check meter to monitor the usage of water in and/or serving the Premises ("Premises Water"). Tenant shall be separately billed by Landlord for all such Premises Water. Tenant shall pay to Landlord, in advance, on the first day of each and every calendar month during the Term, an amount reasonably estimated by Landlord from time to time to cover Tenant's monthly payments for Premises Water and Tenant shall pay such monthly charges to Landlord, as Additional Rent, in the fashion herein provided for the payment of Annual Fixed Rent. Beginning in the second (2nd) full Operating Year, Landlord shall base such estimated payment amounts on Tenant's actual consumption of Premises Water during the immediately preceding Operating Year. After the end of each Operating Year, Landlord shall provide to Tenant a statement (each, a "Water Statement") of the actual amount of Premises Water consumed during the preceding Operating Year. Said Utility Statement to be rendered to Tenant also shall show, for the preceding Operating Year, the amount already paid by Tenant on account of Premises Water, and the amount remaining due from, or overpaid by, Tenant for such Operating Year covered by the Water Statement based on the check meter readings taking into account and reflecting the monthly estimated payments made by Tenant pursuant to this Section. Within thirty (30) days after the date of delivery of such Water Statement, Tenant shall pay to Landlord the balance of the amounts, if any, required to be paid pursuant to the above provisions of this Section with respect to the preceding Operating Year, or Landlord shall credit any amounts due from it to Tenant pursuant to the above provisions of this Section against (i) monthly installments of Annual Fixed Rent next thereafter coming due or (ii) any sums then due from Tenant to Landlord under this Lease (or refund such portion of the overpayment within 60 days as aforesaid if the Term has ended and Tenant has no further obligation to Landlord). Further, Landlord may send periodic statements during any Operating Year showing, for the preceding billing period(s), the costs of furnishing Premises Water to the Premises. If such periodic, mid-Operating Year statements show that Tenant's actual usage of Premises Water is greater or less than the preceding Operating Year's actual usage upon which Tenant's estimated payments are then being based, then Landlord may adjust such estimated payments accordingly for the remainder of such Operating Year (with the same true-up process set forth above to occur at the end of the applicable Operating Year).

2.8.4Utility Information.

Tenant shall provide Landlord, within ten (10) business days after written request therefor, with readily available information regarding Tenant's consumption of gas and/or other utilities at the Premises as may be reasonably required by Landlord in connection with any LEED or similar environmental grading system applicable to the Property or any Legal Requirements; provided that such information may not be requested by Landlord more than one (1) time in any given calendar year. The provisions of this Section shall survive for a period of two (2) years after the expiration or termination of this Lease.

2.9 On-Site Generator

Landlord shall, as part of the Tenant Improvement Work, install, in the rooftop location shown on Exhibit D-1 attached or another location mutually agreed to by the parties (the "Generator Location"), one (1) 100KW emergency generator and equipment related thereto (collectively, the "Emergency Back-up Equipment") for Tenant's exclusive use. Landlord, at Landlord's sole expense, shall be responsible for any dunnage or roof supports required to accommodate Tenant's Emergency Back-Up Equipment. Landlord shall have no obligation to provide any services including, without limitation, electric current or gas service, to the Emergency Back-up Equipment, provided, however, Landlord will, at Tenant's sole cost and expense, install the initial necessary utility connections between the Emergency Back-up Equipment and the Premises (which utility connections shall be deemed part of the Emergency Back-up Equipment). Landlord may, in its sole and absolute discretion, and at Landlord's cost, relocate any or all of the Emergency Back-up Equipment to a location with comparable functionality. Tenant shall be responsible for the cost of repairing and maintaining the Emergency Back-up Equipment in good order, condition and repair and in compliance with Legal Requirements and, subject to the provisions of Section 8.13, for the cost of repairing any damage to the Property, or the cost of any necessary improvements to the Property, caused by or as a result of the replacement and/or removal of the Emergency Back-up Equipment. Landlord makes no warranties or representations to Tenant as to the suitability of the Generator Location for the installation and operation of the Emergency Back-up Equipment. Tenant shall comply with all reasonable rules and regulations in connection with the maintenance, operation and removal of the Emergency Back-up Equipment. Tenant will not be required to remove the Emergency Back-Up Equipment at the end of the Lease Term.

2.10 Signage

2.10.1 Restrictions

Tenant shall have the right, at Tenant's expense, to install Building standard signage identifying Tenant's business at the entrance to the Premises, which signage shall be subject to Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Subject to the foregoing, Tenant shall not place or suffer to be placed or maintained on the exterior of the Premises, or any part of the interior visible from the exterior thereof, any sign, banner, advertising matter or any other thing of any kind (including, without limitation, any hand-lettered advertising), and shall not place or maintain any decoration, letter or advertising matter on the glass of any window or door of the Premises without first obtaining Landlord's written approval. No

signs may be put on or in any window or elsewhere if visible from the exterior of the Building. If Landlord installs a monument sign serving the Building (the "Monument Sign"), Tenant shall be entitled, at Tenant's cost and expense, to one (1) non-exclusive sign panel on the Monument Sign. Tenant acknowledges and agrees that Tenant's signage on the Monument Sign including, without limitation, the location, size, color and type, shall be subject to Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) and applicable Legal Requirements. Tenant shall be responsible, at Tenant's sole cost and expense, for the maintenance of Tenant's signage on the Monument Sign, for the removal of Tenant's signage from the Monument Sign at the expiration or earlier termination of this Lease and for the repair of all damage resulting from such removal.

2.10.2 Building Directory

Landlord shall list Tenant within the directory in the Building lobby. The initial listing shall be at Landlord's cost and expense, and any changes to such directory listing shall be at Tenant's cost and expense. Tenant shall have the right, at Tenant's cost and expense, to install a Building standard Tenant identification sign at the entrance to the Premises.

2.11 Tenant's Access

From and after the Commencement Date and until the end of the Term, Tenant shall have access to the Premises, any freight elevators in the Building and the Building loading dock twenty-four (24) hours a day, seven (7) days a week, 365 days per year, subject to Landlord's reasonable Building security requirements, causes beyond Landlord's reasonable control, Legal Requirements, the rules and regulations, the terms of this Lease, Force Majeure (as defined in Section 9.27) and matters of record. Without limiting the generality of the foregoing, any deliveries to the Building loading dock that are anticipated to take more than 1 hour during normal business hours should be scheduled in advance with Landlord's property manager, provided that any deliveries to the Building loading dock outside of normal business hours will be self-managed by Tenant.

2.12 Rooftop Premises

During the Term, subject to the availability of space thereon, Tenant shall have the right to use a portion of the rooftop of the Building designated by Landlord (the "Rooftop Premises") for the installation of certain equipment (i.e., mechanical equipment, heat exchangers, antennas, satellite dishes, etc.) approved by Landlord and purchased and installed by Tenant in accordance with the terms of this Lease (any equipment installed within the Rooftop Premises, as the same may be modified, altered or replaced during the Term, is collectively referred to herein as "Tenant's Rooftop Equipment"). Landlord's approval of such equipment shall not be unreasonably withheld, conditioned or delayed provided Tenant demonstrates to Landlord's reasonable satisfaction that the proposed equipment (i) does not interfere with any base building equipment operated by Landlord on the roof; (ii) will not affect the structural integrity of the Building or impact the roof or the roof membrane in any manner; (iii) shall be adequately screened so as to minimize the visibility of such equipment; and (iv) shall be adequately sound-proofed to meet all requirements of Legal Requirements and Landlord's specified maximum decibel levels for equipment operations. Tenant shall not install or operate Tenant's Rooftop Equipment until Tenant has obtained and submitted to Landlord copies of all required governmental permits, licenses, and authorizations necessary for the installation and operation thereof, including

compliance with the City of Waltham zoning requirements. In addition, Tenant shall comply with all reasonable construction rules and regulations promulgated by Landlord in connection with the installation, maintenance and operation of Tenant's Rooftop Equipment. Landlord shall have no obligation to provide any services including, without limitation, electric current or gas service, to the Rooftop Premises or to Tenant's Rooftop Equipment. Tenant shall be responsible for the cost of repairing and maintaining Tenant's Rooftop Equipment and the cost of repairing any damage to the Building, or the cost of any necessary improvements to the Building, caused by or as a result of the installation, replacement and/or removal of Tenant's Rooftop Equipment. Landlord makes no warranties or representations to Tenant as to the suitability of the Rooftop Premises for the installation and operation of Tenant's Rooftop Equipment. In the event that at any time during the Term, Landlord determines, in its sole but bona fide business judgment, that the operation and/or periodic testing of Tenant's Rooftop Equipment interferes with the operation of the Building or the business operations of any of the occupants of the Building, then Tenant shall, upon notice from Landlord, cause all further testing of Tenant's Rooftop Equipment to occur after normal business hours.

ARTICLE III

Condition of Premises; Alterations

3.1 Preparation of Premises

The condition of the Premises upon Landlord's delivery along with any work to be performed by either Landlord or Tenant shall be as set forth in the Work Agreement attached hereto as Exhibit B-1 and made a part hereof.

ARTICLE IV

Landlord's Covenants; Interruptions and Delays

4.1 Landlord Covenants

4.1.1 Services Furnished by Landlord

To furnish services, utilities, facilities and supplies set forth in Exhibit C equal to those customarily provided by landlords in first class office/research/laboratory building/campus in the Boston West Suburban Market (except as may otherwise be expressly provided in said Exhibit C), subject to reimbursement in accordance with Section 2.6. Landlord shall provide a dumpster and/or compactor at the Building loading dock for the use by tenants in the Building for the disposal of non-biohazard material. All costs incurred by Landlord in connection with such dumpster and/or compactor shall be included in Operating Expenses as provided in Section 2.6.

4.1.2 Additional Services Available to Tenant

To furnish, at Tenant's expense, reasonable additional Building operation services which are usual and customary in first class office/research/laboratory building/campus in the Boston West Suburban Market upon reasonable advance request of Tenant at reasonable and equitable rates from time to time established by Landlord. Tenant agrees to pay to

Landlord, as Additional Rent, the actual cost of any such additional Building services requested by Tenant and for the cost of any additions, alterations, improvements or other work performed by Landlord in the Premises at the request of Tenant within thirty (30) days after being billed therefor.

4.1.3 Roof, Exterior Wall, Floor Slab and Common Facility Repairs

Except for (a) normal and reasonable wear and use and (b) damage caused by fire and casualty and by eminent domain, and except as otherwise provided in Article VI, and subject to reimbursement as provided in Section 2.6, (i) to make such repairs to the roof, exterior walls, floor slabs and common areas and facilities as may be necessary to keep them in serviceable condition and (ii) to maintain the Building (exclusive of Tenant's responsibilities under this Lease) in a first class manner comparable to the maintenance of similar office/research/laboratory building/campus properties in the Boston West Suburban Market.

4.1.4 pH System

Landlord shall provide and install, as part of the Tenant Improvement Work, one (1) pH neutralization system that will exclusively serve the Premises (the "pH neutralization system") in the Garage of the Building in a room that contains the pH system of other tenants, which will contain approximately 300 gallons of capacity for each system, in one of the two (2) locations shown on Exhibit D-2 attached hereto. Tenant shall obtain a wastewater treatment operator permit (a "MWRA pH Permit") from the Massachusetts Water Resources Authority ("MWRA") for its use of its pH neutralization system. As part of the Landlord's Work, the Premises shall be connected to the pH neutralization system, subject to the following conditions:

(1) Tenant's use of the pH neutralization system shall be at Tenant's sole risk to the extent permitted pursuant to applicable laws (Landlord making no representation or warranty regarding the sufficiency of the pH neutralization system for Tenant's use).

(2) Tenant's use of the pH neutralization system shall be undertaken by Tenant in compliance with all applicable laws, including, but not limited to the MWRA pH Permit, required in connection with such use by Tenant.

(3) The pH neutralization system may be relocated by Landlord, at Landlord's cost, to another area in the Building, provided that such relocated pH neutralization system shall provide comparable functionality and utility to the pH neutralization system in its existing location.

(4) The use of the pH neutralization system shall be subject to the rules and regulations for the Building.

(5) Tenant shall not introduce any substances or materials into the pH neutralization system which (x) are in violation of the terms of the MWRA pH Permit or any other MWRA permit, (y) are in violation of applicable laws, or (z) would interfere with the proper functioning of the pH neutralization system.

(6) From and after the initial installation of the pH neutralization system by Landlord, Tenant agrees to maintain such system in good condition and repair, and Landlord shall have no obligation to provide any services, including, without limitation, electric current, to such system.

(7) Tenant shall, at Tenant's sole cost and expense, remove the pH neutralization system at the end of the Lease Term, and, subject to the provisions of Section 8.13, Tenant shall be responsible for the cost of repairing any damage to the Property, or the cost of any necessary improvements to the Property, caused by or as a result of the replacement and/or removal of the pH neutralization system.

4.2 Interruptions and Delays in Services and Repairs, Etc.

Landlord shall not be liable to Tenant for any compensation or reduction of rent by reason of inconvenience or annoyance or for loss of business arising from the necessity of Landlord or its agents entering the Premises for any of the purposes in this Lease authorized, or for repairing the Premises or any portion of the Building however the necessity may occur. In case Landlord is prevented or delayed from making any repairs, alterations or improvements, or furnishing any services or performing any other covenant or duty to be performed on Landlord's part, by reason of any cause reasonably beyond Landlord's control, including without limitation by reason of Force Majeure (as defined in Section 9.27 hereof), Landlord shall not be liable to Tenant therefor, nor, except as expressly otherwise provided in Article VI, shall Tenant be entitled to any abatement or reduction of rent by reason thereof, or right to terminate this Lease, nor shall the same give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises.

Landlord reserves the right to stop any service or utility system, when necessary by reason of accident or emergency, or until necessary repairs have been completed; provided, however, that in each instance of stoppage, Landlord shall exercise reasonable diligence to eliminate the cause thereof. Except in case of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant by reason thereof.

(a) Notwithstanding the foregoing, and for the sole purposes of this Section 4.2, if (i) an interruption or curtailment, suspension or stoppage of an Essential Service (as said term is hereinafter defined) shall occur (any such interruption of an Essential Service being hereinafter referred to as a "Service Interruption"), (ii) as a result of such Service Interruption, all or any material part of the Premises (which, for the purposes hereof, shall
be defined as any portion or portions of the Premises containing at least 50% of the Rentable Floor Area of the Premises in the aggregate) becomes untenantable so that for the Premises Untenantabilty Cure Period (as hereinafter defined) the continued operation in the ordinary course of Tenant's business is materially adversely affected, and (iii) such untenantability and Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees, subtenants or contractors, then provided that Tenant ceases to use the affected portion of the Premises during the entirety of the Premises Untenantability Cure Period by reason of such untenantability, Annual Fixed Rent shall thereafter be abated after the expiration of the Premises Untenantability Cure Period in proportion to the impact on the continued operation in the ordinary course of Tenant's business until the day such condition is completely corrected (or such earlier date, if any, as Tenant shall reoccupy the Premises or the

affected portion thereof for the conduct of its business); provided, however, that if any part of the Premises is not untenantable or if Tenant conducts all or any part of its operations in any portion of the Premises notwithstanding such Service Interruption, then the amount of abatement shall be equitably prorated.

(b) A Service Interruption will not be deemed to have occurred to the extent the same results from (x) the failure or inability of the applicable utility company to provide electrical, water, or sewer service to the point of connection for the Building (other than due to Landlord's failure to maintain the corresponding building systems or applicable permits in accordance with applicable laws), (y) the negligent act or omission or intentional misconduct of Tenant (or any party claiming by, through or under Tenant) or (z) Tenant (or any party claiming by, through or under Tenant) introducing into the Premises personnel or equipment that overloads the capacity of any building systems or in any other way interferes with any building system's ability to perform its proper functions (such as, by way of example, Tenant's design, layout or occupancy level of the Premises in a manner which inhibits the HVAC system's ability to perform in accordance with its manufacturer's specifications).

For the purposes hereof:

(i) The "Premises Untenantabilty Cure Period" shall be defined as ten (10) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises, provided however, that the Premises Untenantabilty Cure Period shall be fifteen (15) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises if either the condition was caused by causes beyond Landlord's control or Landlord is unable to cure such condition as the result of causes beyond Landlord's control.

(ii) The term "Essential Services" shall mean the following standard services in accordance with Landlord's obligations under this Lease: elevator service, water and sewer service, HVAC service, condenser water, and/or electricity.

The rights granted to Tenant hereunder this Section 4.2 shall be Tenant's sole and exclusive remedy resulting from a Service Interruption. This Section 4.2 shall not apply to matters arising as the result of a fire, casualty, taking, or other event as to which Article VI applies.

ARTICLE V

Tenant's Covenants

Tenant covenants and agrees to the following during the Term and such further time as Tenant occupies any part of the Premises:

5.1 Payments

To pay when due all Annual Fixed Rent and Additional Rent and all charges for utility services rendered to the Premises (except as otherwise provided in Exhibit C) and, as further Additional Rent, all charges for additional services rendered pursuant to Section 4.1.2. In the event Tenant pays any utilities for the Premises directly to the utility company or provider, Tenant shall grant

Landlord access to Tenant's account with such utility company or provider so that Landlord can review the utility bills relating to the Premises.

5.2 Repair and Yield Up

Except as otherwise provided in Article VI and Section 4.1.3 to keep the Premises, along with any equipment or systems located within the Premises or exclusively serving the Premises, in good order, repair and condition, reasonable wear and tear only excepted, and all glass in windows (except glass in exterior walls unless the damage thereto is attributable to Tenant's negligence or misuse) and doors of the Premises whole and in good condition with glass of the same type and quality as that injured or broken, damage by fire or taking under the power of eminent domain only excepted, and at the expiration or termination of this Lease peaceably to yield up the Premises with all construction, work, improvements, and all alterations and additions thereto in good order, repair and condition, reasonable wear and tear only excepted, first removing all goods and effects of Tenant and the wiring for Tenant's computer, telephone and other communication systems and equipment whether located in the Premises or in any other portion of the Building, including all risers and partitions and, to the extent specified by Landlord pursuant to Section 5.13 hereof, all alterations and additions made by Tenant, and repairing any damage caused by such removal and restoring the Premises and leaving them clean and neat. Tenant shall not permit or commit any waste, and Tenant shall be responsible for the cost of repairs which may be made necessary by reason of damage to common areas in the Building, to the Site or to the other buildings caused by Tenant, Tenant's agents, contractors, employees, sublessees, licensees, concessionaires or invitees.

5.3 Use

Continuously from the commencement of the Term to use and occupy the Premises, subject to Force Majeure, for the Permitted Use only, and not to injure or deface the Premises, Building, the Site or any other part of the Property or the Office Park nor to permit in the Premises or on the Site any auction sale, vending machine, or inflammable fluids or chemicals, or nuisance, or the emission from the Premises of any objectionable noise or odor, nor to permit in the Premises anything which would in any way result in the leakage of fluid or the growth of mold, and not to use or devote the Premises or any part thereof for any purpose other than the Permitted Uses, nor any use thereof which is inconsistent with the maintenance of the Building as an office/research/laboratory building/campus of the first class in the quality of its maintenance, use and occupancy, or which is improper, offensive, contrary to law or ordinance or liable to invalidate or increase the premiums for any insurance on the Building or its contents or liable to render necessary any alteration or addition to the Building.

5.4 Hazardous Materials

Tenant shall not, without the prior written consent of Landlord, bring or permit to be brought or kept in or on the Premises or elsewhere in the Building or the Property (i) any inflammable, combustible or explosive fluid, material, chemical or substance (except for standard office supplies stored in proper containers); and (ii) any Hazardous Material (hereinafter defined), other than Tenant's Hazardous Materials (as hereinafter defined), provided that the same shall at all times be brought upon, kept or used in so-called 'control areas' (the number, size and location of which shall be reasonably determined by Landlord) and in accordance with all applicable Environmental Laws (hereinafter defined) and prudent environmental practice and (with respect to medical waste and so-called "biohazard" materials) good scientific and medical practice. As a

material inducement to Landlord to allow Tenant to use Hazardous Materials in the Premises in connection with its business, Tenant agrees to deliver to Landlord, within sixty (60) days of the Execution Date, a list identifying the types and quantities of Hazardous Materials that Tenant proposes to keep, maintain, use or store at the Premises ("Tenant's Hazardous Materials"), which initial list of Tenant's Hazardous Materials shall be subject to Landlord's reasonable review and approval. Tenant shall be responsible for assuring that all laboratory uses are adequately and properly vented. On or before each anniversary of the Commencement Date, and on any earlier date during the 12-month period on which Tenant intends to add a new Hazardous Material or materially increase the quantity of any Hazardous Material to the list of Tenant's Hazardous Materials, Tenant shall submit to Landlord an updated list of Tenant's Hazardous Materials for Landlord's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall have the right, from time to time, to inspect the Premises for compliance with the terms of this Section 5.4, upon one (1) business day's prior written notice (except that no notice shall be required in emergency situations). Notwithstanding the foregoing, with respect to any of Tenant's Hazardous Materials which Tenant does not properly handle, store or dispose of in compliance with all applicable Environmental Laws, prudent environmental practice and (with respect to medical waste and so-called "biohazard materials") good scientific and medical practice, Tenant shall, upon written notice from Landlord, no longer have the right to bring such material into the Building or the Property until Tenant has demonstrated, to Landlord's reasonable satisfaction, that Tenant has implemented programs to thereafter properly handle, store or dispose of such material. In order to induce Landlord to waive its otherwise applicable requirement that Tenant maintain insurance in favor of Landlord against liability arising from the presence of radioactive materials in the Premises, and without limiting the foregoing, Tenant hereby represents and warrants to Landlord that at no time during the Term will Tenant bring upon, or permit to be brought upon, the Premises any radioactive materials whatsoever (except for those contained, in accordance with Legal Requirements, in Tenant's equipment, such as its imaging devices).

(a) Environmental Laws Defined. For purposes hereof, "Environmental Laws" shall mean all laws, statutes, ordinances, rules and regulations of any local, state or federal governmental authority having jurisdiction concerning environmental, health and safety matters, including but not limited to any discharge by any of the Tenant Parties of any Hazardous Material (hereinafter defined) into the air, surface water, sewers, soil or groundwater whether within or outside the Premises, including, without limitation (a) the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., (b) the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., (c) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., (d) the Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq., and (e) Chapter 21E of the General Laws of Massachusetts. Tenant, at its sole cost and expense, shall comply with (i) Environmental Laws, and (ii) any rules, requirements and safety procedures of the Massachusetts Department of Environmental Protection, the City of Waltham and any insurer of the Building or the Premises with respect to Tenant's use, storage and disposal of any Hazardous Materials.

(b) Hazardous Material Defined. As used herein, the term "Hazardous Material" means asbestos, oil or any hazardous, radioactive or toxic substance, material or waste or petroleum derivative which is or becomes regulated by any Environmental Law, including without limitation live organisms, viruses and fungi, medical waste and any so-called "biohazard" materials. The term "Hazardous Material" includes, without limitation, oil

and/or any material or substance which is (i) designated as a "hazardous substance," "hazardous material," "oil," "hazardous waste" or toxic substance under any Environmental Law.

(c) Chemical Safety Program. Tenant shall establish and maintain a chemical safety program administered by a licensed, qualified individual in accordance with the requirements of any applicable governmental authority. Tenant shall be solely responsible for all costs incurred in connection with such chemical safety program, and Tenant shall provide Landlord with such documentation as Landlord may reasonably require evidencing Tenant's compliance with the requirements of (a) any applicable governmental authority with respect to such chemical safety program and (b) this Section 5.4. Tenant shall obtain and maintain during the Term any permit required by any such applicable governmental authority.

(d) Testing. If any mortgagee or governmental authority requires testing to determine whether there has been any release of Hazardous Materials and such testing is required as a result of the acts or omissions of any of the Tenant Parties in violation of the terms of this Lease (as defined in Section 8.1), then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the reasonable costs thereof (together with interest at the rate of two and one-half percentage points over the then prevailing prime rate in Boston as set by Bank of America, N.A., or its successor (but in no event greater than the maximum rate permitted by applicable law) until paid in full. Tenant shall execute affidavits, certifications and the like, as may be reasonably requested by Landlord from time to time concerning Tenant's best knowledge and belief concerning the presence of Hazardous Materials in or on the Premises, the Building or the Property. In addition to the foregoing, if Landlord reasonably believes that any Hazardous Materials have been released on the Premises in violation of this Lease or any Legal Requirement, Landlord shall have the right to conduct appropriate tests of the Premises or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of any of the Tenant Parties. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Materials exist at the Premises in violation of this Lease or any Legal Requirement. Further, Landlord shall have the right to cause a third party consultant retained by Landlord, at Tenant's expense, to review, but not more than once in any calendar year, Tenant's lab operations, procedures and permits to ascertain whether or not Tenant is complying with law and adhering to best industry practices. Tenant agrees to cooperate in good faith with any such review and to provide to such consultant any information requested by such consultant and reasonably required in order for such consultant to perform such review, but nothing contained herein shall require Tenant to provide proprietary or confidential information to such consultant.

(e) Indemnity; Remediation. Without limitation of the provisions of Section 8.1 below, Tenant hereby covenants and agrees to indemnify, defend and hold the Landlord Parties harmless from and against any and all claims against any of the Landlord Parties arising out of contamination of any part of the Property or other adjacent property, which contamination arises as a result of: (i) the presence of Hazardous Material in the Premises, the presence of which is caused by any act or omission of any of the Tenant Parties (i.e., Tenant bringing such Hazardous Material into the Premises), or (ii) from a breach by Tenant of its obligations under this Section 5.4. This indemnification of the Landlord Parties by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work or any other

response actions required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil, soil vapor or ground water on or under or any indoor air in the Building based upon the circumstances identified in the first sentence of this subsection. The indemnification and hold harmless obligations of Tenant under this subsection shall survive the expiration or any earlier termination of this Lease.

Without limiting the obligations set forth above, if any Hazardous Material is in, on, under, at or about the Building or the Property as a result of the acts or omissions of any of the Tenant Parties and results in any contamination of any part of the Property or any adjacent property that is in violation of any applicable Environmental Law or that requires the performance of any response action pursuant to any Environmental Law, Tenant shall promptly take all actions at Tenant's sole cost and expense as are necessary to reduce such Hazardous Material to amounts below any applicable reportable quantity, any applicable reportable concentration and any other applicable standard set forth in any Environmental Law such that no further response actions are required; provided that Tenant shall first obtain Landlord's written approval of such actions, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions would not be reasonably expected to have an adverse effect on the market value or utility of the Property for the Permitted Uses, and in any event, Landlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws (such approved actions, "Tenant's Remediation").

Subject to the limitations of Section 9.3 hereof, Landlord agrees to defend with counsel first approved by Tenant (counsel appointed by Landlord's insurance carrier shall be deemed approved by Tenant and for any other circumstances such approval shall not be unreasonably withheld or delayed), indemnify and save Tenant harmless from liability, loss and damage to persons or property and from any claims, actions, proceedings and expenses in connection therewith resulting from (x) Hazardous Materials that are present in the Premises or the Property as the result of the actions of Landlord, its employees, agents or contractors, and (y) Hazardous Materials that existed in, at or on the Premises or the Property prior to the Commencement Date; provided, however, that in no event shall the foregoing indemnity render Landlord liable for any loss or damage to Tenant's Property and Landlord shall in no event be liable for indirect or consequential damages

In the event that Tenant fails to complete Tenant's Remediation prior to the end of the Term, then:

(i) until the completion of Tenant's Remediation (as evidenced by the certification of Tenant's Licensed Site Professional (as such term is defined by applicable Environmental Laws), who shall be reasonably acceptable to Landlord) (the "Remediation Completion Date"), Tenant shall pay to Landlord, with respect to the portion of the Premises which reasonably cannot be occupied by a new tenant until completion of Tenant's Remediation, (A) Additional Rent on account of Operating Expenses and Real Estate Taxes and (B) Annual Fixed Rent in an amount equal to the greater of (1) the fair market rental value of such portion of the Premises (determined by Landlord in its reasonable discretion), and (2) Annual Fixed Rent attributable to such portion of the Premises in effect immediately prior to the end of the Term; and

(ii) Tenant shall maintain responsibility for Tenant's Remediation and Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with Environmental Laws. If Tenant does not diligently pursue completion of Tenant's Remediation, Landlord shall have the right to either (A) assume control for overseeing Tenant's Remediation, in which event Tenant shall pay all reasonable costs and expenses of Tenant's Remediation (it being understood and agreed that all costs and expenses of Tenant's Remediation incurred pursuant to contracts entered into, by Tenant shall be deemed reasonable) within thirty (30) days of demand therefor (which demand shall be made no more often than monthly), and Landlord shall be substituted as the party identified on any governmental filings as the party responsible for the performance of such Tenant's Remediation or (B) require Tenant to maintain responsibility for Tenant's Remediation, in which event Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with Environmental Laws, it being understood that Tenant's Remediation shall not contain any requirement that Tenant remediate any contamination to levels or standards more stringent than those associated with the Property's current office, research and development and laboratory uses.

The provisions of this Section shall survive the expiration or earlier termination of this Lease.

(f) Disclosures. Prior to bringing any Hazardous Material into any part of the Property, Tenant shall deliver to Landlord the following information with respect thereto: (a) a description of handling, storage, use and disposal procedures; (b) all plans or disclosures and/or emergency response plans which Tenant has prepared, including without limitation Tenant's Spill Response Plan, and all plans which Tenant is required to supply to any governmental agency or authority pursuant to any Environmental Laws; (c) copies of all permits and approvals required as a result of Tenant's use or storage of any inflammable, combustible or explosive fluid, material, chemical or substance permitted by Landlord and/or Tenant's Hazardous Materials; and (d) other information reasonably requested by Landlord.

(g) Removal. Tenant shall be responsible, at its sole cost and expense, for Hazardous Material and other biohazard disposal services for the Premises. Such services shall be performed by contractors reasonably acceptable to Landlord and on a sufficient basis to ensure that the Premises are at all times kept neat, clean and free of Hazardous Materials and biohazards except in appropriate, specially marked containers reasonably approved by Landlord.

(h) End of Term Obligations. Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant shall clean and otherwise decommission all interior surfaces (including floors, walls, ceilings, and counters), piping, supply lines, waste lines, acid neutralization systems and plumbing in and/or exclusively serving the Premises, and all exhaust or other ductwork in and/or exclusively serving the Premises, in each case which has carried or released or been contacted by any Hazardous Materials or other chemical or biological materials used in the operation of the Premises, and shall otherwise clean the Premises so as to permit the Surrender Plan defined below) to be issued.

At least thirty (30) days prior to the expiration of the Term (or, if applicable, within five (5) business days after any earlier termination of this Lease), Tenant shall deliver to

Landlord a reasonably detailed narrative description of the actions proposed (or required by any Legal Requirements) to be taken by Tenant in order to render the Premises (including any Alterations permitted or required by Landlord to remain therein) free of Hazardous Materials and otherwise released for unrestricted use and occupancy including without limitation causing the Premises to be decommissioned in accordance with the regulations of the U.S. Nuclear Regulatory Commission and/or the Massachusetts Department of Public health (the "MDPH") for the control of radiation, and cause the Premises to be released for unrestricted use by the Radiation Control Program of the MDPH (the "Surrender Plan"). The Surrender Plan (i) shall be accompanied by a current list of (A) all required permits and approvals held by or on behalf of any Tenant Party with respect to Hazardous Materials in, on, under, at or about the Premises, and (B) Tenant's Hazardous Materials, and (ii) shall be subject to the review and approval of Landlord's environmental consultant. In connection with review and approval of the Surrender Plan, upon request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning the use of and operations within the Premises as Landlord shall request. On or before the expiration of the Term, Tenant shall (i) perform or cause to be performed all actions described in the approved Surrender Plan, and (ii) deliver to Landlord a certification from a third party certified industrial hygienist reasonably acceptable to Landlord certifying that the Premises do not contain any Hazardous Materials and evidence that the approved Surrender Plan shall have been satisfactorily completed by a contractor acceptable to Landlord, and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the expiration of the Term (or, if applicable, the date which is thirty (30) days after any earlier termination of this Lease), free of Hazardous Materials and otherwise available for unrestricted use and occupancy as aforesaid. Landlord shall have the unrestricted right to deliver the Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties. Such third parties and the Landlord Parties shall be entitled to rely on the Surrender Report. If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address the use of Hazardous Materials by any of the Tenant Parties in, on, at, under or about the Premises, Landlord shall have the right to take any such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Property are surrendered in the condition required hereunder, the cost of which actions shall be reimbursed by Tenant as Additional Rent upon demand. Tenant's obligations under this Section shall survive the expiration or earlier termination of the Term.

(i) Notwithstanding any provision of this Lease to the contrary, Tenant shall in no event have any liability (by way of indemnification or otherwise) for removal or remediation of any Hazardous Materials from the Premises or the Property or for any loss or damage, to the extent that such Hazardous Materials: (i) existed in, on or under the Premises or the Property, as the case may be, on the Commencement Date, or (ii) were placed or released in, on or under the Premises or the Property other than by the act or omission of Tenant or any Tenant Party, except to the extent (if any) Tenant or any Tenant Party exacerbates the same.

Landlord represents to Tenant that, to the best of Landlord's actual knowledge as of the date of this

Lease, there are no Hazardous Materials in the Building or on the Site which are required to be removed or otherwise abated in accordance with applicable Hazardous Materials Laws.

5.5 Obstructions; Items Visible From Exterior; Rules and Regulations

Not to obstruct in any manner any portion of the Building not hereby leased or any portion thereof or of the other buildings or of the Site used by Tenant in common with others; not without prior consent of Landlord to permit the painting or placing of any signs, curtains, blinds, shades, awnings, aerials or flagpoles, or the like, visible from outside the Premises; and to comply with all reasonable rules and regulations or the requirements of any customer handbook currently in existence or hereafter implemented, of which Tenant has been given notice, for the care and use of the Building and Site and their facilities and approaches; Landlord shall not be liable to Tenant for the failure of other occupants of the Buildings to conform to such rules and regulations. If and to the extent there is any conflict between the provisions of this Lease and any rules and regulations or customer handbook for the Building, the provisions of this Lease shall control.

5.6 Safety Appliances

To keep the Premises equipped with all safety appliances required by any public authority because of any use made by Tenant other than normal office/research/laboratory use, and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way Tenant's Permitted Use.

5.7 Assignment; Sublease

Except as otherwise expressly provided herein, Tenant covenants and agrees that it shall not assign, mortgage, pledge, hypothecate or otherwise transfer this Lease and/or Tenant's interest in this Lease or sublet (which term, without limitation, shall include granting of concessions, licenses or the like) the whole or any part of the Premises. If and so long as Tenant is a corporation with fewer than five hundred (500) shareholders or a limited liability company or a partnership, an assignment, within the meaning of this Section 5.7, shall be deemed to include one or more sales or transfers of stock or membership or partnership interests, by operation of law or otherwise, or the issuance of new stock or membership or partnership interests, by which an aggregate of more than fifty percent (50%) of Tenant's stock or membership or partnership interests shall be vested in a party or parties who are not stockholders or members or partners as of the date hereof (a "Majority Interest Transfer"). For the purpose of this Section 5.7, ownership of stock or membership or partnership interests shall be determined in accordance with the principles set forth in Section 544 of the Internal Revenue Code of 1986, as amended from time to time, or the corresponding provisions of any subsequent law. In addition, the following shall be deemed an assignment within the meaning of this Section 5.7: (a) the merger or consolidation of Tenant into or with any other entity, or the sale of all or substantially all of its assets, and (b) the establishment by the Tenant or a permitted successor or assignee of one or more series of (1) members, managers, limited liability company interests or assets, which may have separate rights, powers or duties with respect to specified property or obligations of the Tenant (or such successor or assignee) or profits or losses associated with specified property or obligations of the Tenant (or such successor or assignee), pursuant to §18-215 of the Delaware Limited Liability Company Act, as amended, or similar laws of other states or otherwise, or (2) limited partners, general partners, partnership interests or assets, which may have separate rights, powers or duties

with respect to specified property or obligations of the Tenant (or such successor or assignee) or profits or losses associated with specified property or obligations of the Tenant (or such successor or assignee) pursuant to §17-218 of the Delaware Revised Uniform Limited Partnership Act, as amended, or similar laws of other states or otherwise (a "Series Reorganization"). Any assignment, mortgage, pledge, hypothecation, transfer or subletting not expressly permitted in or consented to by Landlord under this Section 5.7 shall, at Landlord's election, be void; shall be of no force and effect; and shall confer no rights on or in favor of third parties. In addition, Landlord shall be entitled to seek specific performance of or other equitable relief with respect to the provisions hereof. The limitations of this Section 5.7 shall be deemed to apply to any guarantor(s) of this Lease.

5.7.1 Notwithstanding the provisions of Section 5.7 above, in the event Tenant desires to assign this Lease or to sublet the whole or a portion of the Premises, Tenant shall give Landlord notice (the "Proposed Transfer Notice") of any proposed sublease or assignment, and said notice shall specify the provisions of the proposed assignment or subletting, including (a) the name and address of the proposed assignee or subtenant, (b) in the case of a proposed assignment or subletting pursuant to Section 5.7.3 below, such information as to the proposed assignee's or proposed subtenant's net worth and financial capability and standing as may reasonably be required for Landlord to make the determination referred to in said Section 5.7.3 (provided, however, that Landlord shall hold such information confidential having the right to release same to its officers, accountants, attorneys and mortgage lenders on a confidential basis), (c) all of the terms and provisions upon which the proposed assignment or subletting is to be made, (d) in the case of a proposed assignment or subletting pursuant to Section 5.7.3 below, all other information necessary to make the determination referred to in said Section 5.7.3 and (e) in the case of a proposed assignment or subletting pursuant to Section 5.7.4 below, such information as may be reasonably required by Landlord to determine that such proposed assignment or subletting complies with the requirements of said Section 5.7.4.

5.7.2 In the event of a proposed assignment or sublet of forty percent (40%) or more of the Premises for the balance of the then remaining Term, Landlord shall have the right at its sole option, to be exercised within thirty (30) days after receipt of Tenant's Proposed Transfer Notice (the "Acceptance Period"), to terminate this Lease with respect to the entirety of the Premises for any proposed assignment or with respect to the proposed sublease premises in the event of a proposed sublease pursuant to the foregoing, which termination shall be as of a date specified in a notice to Tenant, which date shall not be earlier than sixty (60) days nor later than one hundred and twenty (120) days after Landlord's notice to Tenant; provided, however, that upon the termination date as set forth in Landlord's notice, all obligations relating to the period after such termination date (but not those relating to the period before such termination date) shall cease with respect to the applicable Premises and promptly upon being billed therefor by Landlord, Tenant shall make final payment of all Annual Fixed Rent and Additional Rent due from Tenant with respect to the applicable Premises through the termination date. In the event that Landlord shall not exercise its termination rights as aforesaid, or shall fail to give any or timely notice pursuant to this Section the provisions of Sections 5.7.3, 5.7.5 and 5.7.6 shall be applicable. This Section 5.7.2 shall not be applicable to an assignment or sublease pursuant to Section 5.7.4.

5.7.3 Notwithstanding the provisions of Section 5.7 above, but subject to the provisions of this Section 5.7.3 and the provisions of Sections 5.7.5 and 5.7.6 below, in the event that (i) Landlord does not have a right to terminate the Lease (i.e. for any subleases of less than 40% of the Premises); or (ii) Landlord shall not have exercised the termination right as set forth in Section 5.7.2 or shall have failed to give any or timely notice under Section 5.7.2, then for a period of one hundred and twenty (120) days (i) after the Tenant's Proposed Transfer Notice with respect to any sublease where Landlord does not have a right to terminate the Lease; and (ii) after the receipt of Landlord's notice stating that Landlord does not elect the termination right, or (iii) after the expiration of the Acceptance Period, in the event Landlord shall not give any or timely notice under Section 5.7.2 as the case may be, Tenant shall have the right to assign this lease or sublet the applicable Premises in accordance with the Proposed Transfer Notice provided that, in each instance, Tenant first obtains the express prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed.

Without limiting the foregoing standard, Landlord shall not be deemed to be unreasonably withholding its consent to such a proposed assignment or subleasing if:

(a) provided Landlord then has space available meeting users' requirements and timing, the proposed assignee or subtenant is an occupant of the Building or elsewhere within the Office Park or is in active negotiation with Landlord or an affiliate of Landlord for premises in the Building or elsewhere within the Office Park or is not of a character consistent with the operation of a first class office/research/laboratory building/campus (by way of example Landlord shall not be deemed to be unreasonably withholding its consent to an assignment or subleasing to any governmental or quasi-governmental agency), or

(b) the proposed assignee or subtenant is not of good character and reputation, or

(c) the proposed assignee or subtenant does not possess adequate financial capability to perform the Tenant obligations as and when due or required, or

(d) the assignee or subtenant proposes to use the Premises (or part thereof) for a purpose other than the purpose for which the Premises may be used as stated in Section 1.1 hereof, or

(e) the character of the business to be conducted or the proposed use of the Premises by the proposed subtenant or assignee shall (i) be likely to increase Landlord's Operating Expenses beyond that which Landlord now incurs for use by Tenant; (ii) be likely to increase the burden on elevators or other Building systems or equipment over the burden generated by normal and customary office/research/laboratory usage; or (iii) violate or be likely to violate any provisions or restrictions contained herein relating to the use or occupancy of the Premises, or

(f) there shall be existing an Event of Default (defined in Section 7.1) or there have been three (3) or more Event of Default occurrences during the Term, or

(g) [intentionally omitted], or

(h) any part of the rent payable under the proposed assignment or sublease shall be based in whole or in part on the income or profits derived from the Premises or if any proposed assignment or sublease shall potentially have any adverse effect on the real estate investment trust qualification requirements applicable to Landlord and its affiliates, or

(i) the holder of any mortgage or ground lease on property which includes the Premises does not approve of the proposed assignment or sublease, or

(j) due to the identity or business of a proposed assignee or subtenant, such approval would cause Landlord to be in violation of any covenant or restriction contained in another lease or other agreement affecting space in the Building or elsewhere in the Property.

If Landlord shall consent to the proposed assignment or subletting, as the case may be, then, in such event, Tenant may thereafter sublease or assign pursuant to Tenant's notice, as given hereunder; provided, however, that if such assignment or sublease shall not be executed and delivered to Landlord within one hundred and twenty (120) days after the date of Landlord's consent, the consent shall be deemed null and void and the provisions of Section 5.7.1 shall be applicable.

In addition to the other requirements set forth in this Lease and notwithstanding any other provision of this Lease to the contrary, partial sublettings of the Premises shall be subject to the following terms and conditions: (i) the layout of both the subleased premises and the remainder of the Premises must comply with applicable laws, ordinances, rules and/or regulations, including, without limitation, all requirements concerning access and egress; and (ii) in the event the subleased premises are separately physically demised from the remainder of the Premises, Tenant shall pay all costs of separately physically demising the subleased premises and the creation of a common corridor to the extent necessary for access and egress; and (iii) in no event shall there exist more than three (3) partial subleases (including sublease(s) to a Permitted Transferee) at any one time during the Term.

5.7.4 Notwithstanding the provisions of Sections 5.7, 5.7.2, 5.7.3 and 5.7.5, but subject to the provisions of Sections 5.7.1 and 5.7.6, Tenant shall have the right:

(x) to assign this Lease or to sublet the Premises (in whole or in part) to any other entity (the "Successor Entity") (i) which controls or is controlled by Tenant or Tenant's parent corporation or which is under common control with Tenant, provided that such transfer or transaction is for a legitimate business purpose of Tenant other than a transfer of Tenant's interest in this Lease, or (ii) which purchases all or substantially all of the assets of Tenant, or (iii) which purchases all or substantially all of the stock of (or other ownership or membership interests in) Tenant or (iv) which merges or combines with Tenant, or

(y) to effect a Series Reorganization, or

(z) to engage in a Majority Interest Transfer,

provided that in any of the foregoing events described in clauses (y) and (z) above, the transaction is for a legitimate business purpose of Tenant other than the limitation or segregation of the liabilities of Tenant, and provided further that in any of the foregoing events described in in (x), (y) and (z) the entity to which this Lease is so assigned or which so sublets the Premises or the series established by the Series Reorganization has a credit worthiness (e.g. net assets on a pro forma basis using generally accepted accounting principles consistently applied and using the most recent financial statements) which is the same or better than the Tenant as of the date of this Lease (the foregoing transferees referred to, individually or collectively, as a "Permitted Transferee"). Except in cases of statutory merger or a Series Reorganization, in which case the surviving entity in the merger or the series to which this Lease has been designated shall be liable as the Tenant under this Lease, Tenant shall continue to remain fully liable under this Lease, on a joint and several basis with the Permitted Transferee. If any parent, affiliate or subsidiary of Tenant to which this Lease is assigned or the Premises sublet (in whole or in part) shall cease to be such a parent, affiliate or subsidiary, such cessation shall be considered an assignment or subletting requiring Landlord's consent.

5.7.5 In the case of any assignment or subleasing as to which Landlord may consent (other than an assignment or subletting permitted under Section 5.7.4 above) such consent shall be upon the express and further condition, covenant and agreement, and Tenant hereby covenants and agrees that, in addition to the Annual Fixed Rent, Additional Rent and other charges to be paid pursuant to this Lease, fifty percent (50%) of the "Assignment/Sublease Profits" (hereinafter defined), if any, shall be paid to Landlord. The "Assignment/Sublease Profits" shall be the excess, if any, of (a) the "Assignment/Sublease Net Revenues" as hereinafter defined over (b) the Annual Fixed Rent and Additional Rent and other charges provided in this Lease (provided, however, that for the purpose of calculating the Assignment/Sublease Profits in the case of a sublease, appropriate prorations in the applicable Annual Fixed Rent, Additional Rent and other charges under this Lease shall be made based on the percentage of the Premises subleased and on the terms of the sublease). The "Assignment/Sublease Net Revenues" shall be the fixed rent, Additional Rent and all other charges and sums payable either initially or over the term of the sublease or assignment plus all other profits and increases to be derived by Tenant as a result of such subletting or assignment, less the reasonable costs of Tenant incurred in such subleasing or assignment (the definition of which shall be limited to brokerage commissions, legal fees and alteration allowances, in each case actually paid and expressly excluding the amount of any construction or other allowance provided by Landlord to Tenant), as set forth in a statement certified by an appropriate officer of Tenant and delivered to Landlord within thirty (30) days of the full execution of the sublease or assignment document, amortized over the term of the sublease or assignment.

All payments of the Assignment/Sublease Profits due Landlord shall be made within ten (10) days of receipt of same by Tenant.

5.7.6 (A)It shall be a condition of the validity of any assignment or subletting consented to under Section 5.7.3 above, or any assignment or subletting of right under Section 5.7.4 above, that both Tenant and the assignee or sublessee enter into a separate written instrument directly with Landlord in a form and containing terms and provisions reasonably required by Landlord, including, without limitation, the agreement of the assignee or sublessee to be bound directly to Landlord for all the obligations of the Tenant under this Lease (including any amendments or extensions thereof), including, without limitation, the obligation (a) to pay the rent and other amounts provided for under this Lease (but in the case of a partial subletting pursuant to Section 5.7.4, such subtenant shall agree on a pro rata basis to be so bound), (b) to comply with the provisions of Sections 5.7 through 5.7.6 hereof and (c) to indemnify the "Landlord Parties" (as defined in Section 8.13) as provided in Section 8.1 hereof. Such assignment or subletting shall not relieve the Tenant named herein of any of the obligations of the Tenant hereunder and Tenant shall remain fully and primarily liable therefor and the liability of Tenant and such assignee (or subtenant, as the case may be) shall be joint and several. Further, and notwithstanding the foregoing, the provisions hereof shall not constitute a recognition of the sublease or the subtenant thereunder, as the case may be, and at Landlord's option, upon the termination or expiration of the Lease (whether such termination is based upon a cause beyond Tenant's control, a default of Tenant, the agreement of Tenant and Landlord or any other reason), the sublease shall be terminated.

(B)As Additional Rent, Tenant shall pay to Landlord as a fee for Landlord's review of any proposed assignment or sublease requested by Tenant and the preparation of any associated documentation in connection therewith, within thirty (30) days after receipt of an invoice from Landlord, an amount equal to the sum of (i) $1,000.00 and/or (ii) reasonable out of pocket legal fees or other expenses incurred by Landlord in connection with such request, not to exceed $2,500.

(C)If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anyone other than Tenant, Landlord may upon prior notice to Tenant, at any time and from time to time, collect rent and other charges from the assignee, sublessee or occupant and apply the net amount collected to the rent and other charges herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or a waiver of the provisions of Sections 5.7 through 5.7.6 hereof, or the acceptance of the assignee, sublessee or occupant as a tenant or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained, the Tenant herein named to remain primarily liable under this Lease.

(D)The consent by Landlord to an assignment or subletting under Section 5.7.3 above, or the consummation of an assignment or subletting of right under Section 5.7.4 above, shall in no way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or subletting.

(E)[Intentionally Omitted]

(E)[Intentionally Omitted]

(F)Without limiting Tenant's obligations under Section 5.13, Tenant shall be responsible, at Tenant's sole cost and expense, for performing all work necessary to

comply with Legal Requirements and Insurance Requirements in connection with any assignment or subletting hereunder including, without limitation, any work in connection with such assignment or subletting.

5.8 Right of Entry

Landlord, and its duly authorized representatives, shall, upon no less than one (1) business day's prior written notice (except in the case of emergency, in which case Landlord shall provide as much notice as is practicable), have the right to enter the Premises (i) at all reasonable times (except at any time in the case of emergency) for the purposes of inspecting the condition of same and making such repairs, alterations, additions or improvements thereto as may be necessary if Tenant fails to do so as required hereunder (but the Landlord shall have no duty whatsoever to make any such inspections, repairs, alterations, additions or improvements except as otherwise provided in Sections 3.1, 4.1 and Exhibit B-1), (ii) to show and market the Premises to prospective tenants from and after such time as Tenant's extension option has lapsed unexercised or, in the event Tenant has no extension option, during the twelve (12) months preceding expiration of the term of this Lease, and (iii) at any reasonable time during the Lease Term to show the Premises to prospective purchasers and mortgagees. In addition, to the extent that it is necessary to enter the Premises in order to access any area that serves any portion of the Building outside the Premises, then Tenant shall, upon as much advance notice as is practical under the circumstances, and in any event at least twenty-four (24) hours' prior written notice (except that no notice shall be required in emergency situations), permit contractors engaged by Landlord or by other occupants of the Building to pass through the Premises in order to access such areas but only if accompanied by a representative of Landlord. The parties agree and acknowledge that, despite reasonable and customary precautions (which Landlord agrees it shall exercise), any property or equipment in the Premises of a delicate, fragile or vulnerable nature may nevertheless be damaged in the course of performing Landlord's obligations. Accordingly, Tenant shall take reasonable protective precautions with unusually fragile, vulnerable or sensitive property and equipment.

In the event Tenant sends a notice alleging the existence of a dangerous or unsafe condition, any requirements for prior notice or limitations on Landlord's access to the Premises contained in this Lease shall be deemed waived by Tenant so that Landlord may immediately exercise its rights under this Section 5.8 and Section 9.16 in such manner as Landlord deems necessary in its sole discretion to remedy such dangerous or unsafe condition.

5.9 Floor Load; Prevention of Vibration and Noise

Not to place a load upon the Premises exceeding an average rate of 100 pounds of live load per square foot of floor area (partitions shall be considered as part of the live load); and not to move any safe, vault or other heavy equipment in, about or out of the Premises except in such manner and at such time as Landlord shall in each instance authorize; Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be so installed, maintained and used by Tenant so as to eliminate such vibration or noise.

5.10 Personal Property Taxes

To pay promptly when due all taxes which may be imposed upon "Tenant's Property" (as defined in Section 8.4 hereof) in the Premises to whomever assessed.

5.11 Compliance with Laws

To comply with all applicable Legal Requirements now or hereafter in force regarding the operation of Tenant's business and the use, condition, configuration and occupancy of the Premises. In addition, Tenant shall, at its sole cost and expense, promptly comply with any Legal Requirements that relate to the Base Building (as hereinafter defined), but only to the extent such obligations are triggered by Tenant's use of the Premises, other than for general office/research/laboratory use, or alterations, additions or improvements in the Premises performed or requested by Tenant. "Base Building" shall include the structural portions of the Building, the public restrooms and the Building mechanical, electrical and plumbing systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located. Tenant shall promptly pay all fines, penalties and damages that may arise out of or be imposed because of its failure to comply with the provisions of this Section 5.11.

5.12 Payment of Litigation Expenses

As Additional Rent, to pay all reasonable costs, counsel and other fees incurred by Landlord in connection with the successful enforcement by Landlord of any obligations of Tenant under this Lease or in connection with any bankruptcy case involving Tenant or any guarantor.

5.13 Alterations

Tenant shall not make alterations and additions to Tenant's Premises except in accordance with plans and specifications therefor first approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. However, Landlord's determination of matters relating to aesthetic issues relating to alterations, additions or improvements which are visible outside the Premises (including, without limitation, from common lobbies within the Building) shall be in Landlord's sole discretion. Without limiting such standard Landlord shall not be deemed unreasonable for withholding approval of any alterations or additions (including, without limitation, any alterations or additions to be performed by Tenant under Article III) which (a) in Landlord's opinion might adversely affect any structural or exterior element of the Building, any area or element outside of the Premises, or any facility or base building mechanical system serving any area of the Building outside of the Premises, or (b) involve or affect the exterior design, size, height, or other exterior dimensions of the Building or (c) will require unusual expense to readapt the Premises to normal office/research/laboratory use on Lease termination or expiration or increase the cost of construction or of insurance or taxes on the Building or of the services called for by Section 4.1 unless Tenant first gives assurance acceptable to Landlord for payment of such increased cost and that such readaptation will be made prior to such termination or expiration without expense to Landlord, (d) enlarge the Rentable Floor Area of the Premises, or (e) are inconsistent, in Landlord's judgment, with alterations satisfying Landlord's standards for new alterations in the Building. Landlord's review and approval of any such plans and specifications and consent to perform work described therein shall not be deemed an agreement by Landlord that such plans, specifications and work conform with applicable Legal Requirements and requirements of insurers of the Building and the other requirements of this Lease with respect to Tenant's insurance obligations (herein called "Insurance Requirements") nor deemed a waiver of Tenant's obligations under this Lease with respect to applicable Legal Requirements and Insurance Requirements nor impose any liability or obligation upon Landlord with respect to the completeness, design sufficiency or compliance of such plans, specifications and work with applicable Legal Requirements and Insurance Requirements nor give right to any

other parties. Further, Tenant acknowledges that Tenant is acting for its own benefit and account, and that Tenant shall not be acting as Landlord's agent in performing any work in the Premises, accordingly, no contractor, subcontractor or supplier shall have a right to lien Landlord's interest in the Property in connection with any such work. Within thirty (30) days after receipt of an invoice from Landlord, Tenant shall pay to Landlord as a fee for Landlord's review of any work or plans (excluding any review respecting initial improvements performed pursuant to Article III hereof for which a fee has previously been paid but including any review of plans or work relating to any assignment or subletting), as Additional Rent, an amount equal to documented commercially reasonable third party expenses without any mark-up incurred by Landlord to review Tenant's plans and Tenant's work. All alterations and additions shall be part of the Building unless and until Landlord shall specify the same for removal at the time of Landlord's review and approval of the plans pursuant to the foregoing. All of Tenant's alterations and additions and installation of furnishings shall be coordinated with any work being performed by Landlord and in such manner as to maintain harmonious labor relations and not to damage the Buildings or Site or interfere with construction or operation of the Buildings and other improvements to the Site and, except for installation of furnishings, shall be performed by Landlord's general contractor or by contractors or workers first approved by Landlord. Except for work by Landlord's general contractor, Tenant, before its work is started, shall secure all licenses and permits necessary therefor; deliver to Landlord a statement of the names of all its contractors and subcontractors and the estimated cost of all labor and material to be furnished by them and security satisfactory to Landlord protecting Landlord against liens arising out of the furnishing of such labor and material; and cause each contractor to carry insurance in accordance with Section 8.14 herein and to deliver to Landlord certificates of all such insurance. Tenant shall also prepare and submit to Landlord a set of as-built plans, in both print and electronic forms, showing such work performed by Tenant to the Premises promptly after any such alterations, improvements or installations are substantially complete and promptly after any wiring or cabling for Tenant's computer, telephone and other communications systems is installed by Tenant or Tenant's contractor. Without limiting any of Tenant's obligations hereunder, Tenant shall be responsible, as Additional Rent, for the costs of any alterations, additions or improvements in or to the Building that are required in order to comply with Legal Requirements as a result of any work performed by Tenant. Landlord shall have the right to provide such rules and regulations relative to the performance of any alterations, additions, improvements and installations by Tenant hereunder and Tenant shall abide by all such reasonable rules and regulations and shall cause all of its contractors to so abide including, without limitation, payment for the costs of using Building services. Tenant agrees to pay promptly when due the entire cost of any work done on the Premises by Tenant, its agents, employees, or independent contractors, and not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises or the Buildings or the Site and immediately to discharge any such liens which may so attach. Tenant shall pay, as Additional Rent, 100% of any Real Estate Taxes on the Property which shall, at any time after commencement of the Term, result from any alteration, addition or improvement to the Premises made by Tenant. Tenant acknowledges and agrees that Landlord shall be the owner of any additions, alterations and improvements in the Premises or the Building to the extent paid for by Landlord.

Notwithstanding the terms of Section 5.13, Tenant shall have the right, without obtaining the prior consent of Landlord but upon notice to Landlord given ten (10) days prior to the commencement of any work (which notice shall specify the nature of the work in reasonable detail), to make alterations, additions or improvements to the Premises where:

(i) the same are within the interior of the Premises within the Building, and do not affect the exterior of the Premises and the Building (including no signs on windows);

(ii) the same do not affect the roof, any structural element of the Building, the mechanical, electrical, plumbing, heating, ventilating, air-conditioning and fire protection systems of the Building;

(iii) the cost of any individual alteration, addition or improvement shall not exceed $100,000.00; and

(iv) Tenant shall comply with the provisions of this Lease and if such work increases the cost of insurance or taxes or of services, Tenant shall pay for any such increase in cost;

provided, however, that Tenant shall, within fifteen (15) days after the making of such changes, send to Landlord plans and specifications describing the same in reasonable detail and provided further that Landlord, by notice to Tenant given at least thirty (30) days prior to the expiration or earlier termination of the Lease Term, may require Tenant to restore the Premises to its condition prior to such alteration, addition or improvement at the expiration or earlier termination of the Lease Term.

5.14 Vendors

Any vendors engaged by Tenant to perform services in or to the Premises including, without limitation, janitorial contractors and moving contractors shall be coordinated with any work being performed by or for Landlord and in such manner as to maintain harmonious labor relations and not to damage the Building or the Property or interfere with Building construction or operation and shall be performed by vendors first approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

5.15 OFAC

As an inducement to Landlord to enter into this Lease, Tenant hereby represents and warrants that: (i) Tenant is not, nor is fifty percent (50%) or more of Tenant owned or controlled directly or indirectly by, any person, group, entity or nation named on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the United States Treasury ("OFAC") (any such person, group, entity or nation being hereinafter referred to as a "Prohibited Person"); (ii) Tenant is not (nor is fifty percent (50%) or more of Tenant owned, controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for or on behalf of any Prohibited Person; and (iii) Tenant (and any person, group, or entity which Tenant controls, directly or indirectly) has not conducted nor will conduct business nor has engaged nor will engage in any transaction or dealing with any Prohibited Person that either may cause or causes Landlord to be in violation of any OFAC rule or regulation, including without limitation any assignment of this Lease or any subletting of all or any portion of the Premises. In connection with the foregoing, it is expressly understood and agreed that (x) any breach by Tenant of the foregoing representations and warranties shall be deemed an immediate Event of Default by Tenant under Section 7.1 of this Lease (without the benefit of notice or grace) and shall be covered by the indemnity provisions of Section 8.1 below, and (y) the representations and warranties contained in this subsection shall be continuing in nature and shall survive the expiration or earlier termination of this Lease.

5.16 Cleaning of Premises

Tenant shall be responsible, at its sole cost and expense, for janitorial and trash removal services and other biohazard disposal services for the laboratory areas of the Premises. Such services shall be performed by licensed (where required by law or governmental regulation), insured and qualified contractors approved in advance, in writing, by Landlord (which approval shall not be unreasonably withheld, delayed or conditioned) and on a sufficient basis to ensure that such areas are at all times kept neat and clean.

5.17 Pest Control.

Tenant, at Tenant's sole cost and expense, shall cause the Premises to be inspected on a reasonably regular basis (but no more than once per month) or as needed, and shall cause all portions of the Premises used for the storage, preparation, service or consumption of food or beverages to be cleaned daily in a reasonable manner, and to be treated against infestation by insects, rodents and other vermin and pests whenever there is evidence of any infestation. Tenant shall not permit any person to enter the Premises for the purpose of providing such inspection and/or extermination services, unless such persons have been approved by Landlord, which approval shall not be unreasonably withheld, delayed, or conditioned. If requested by Landlord, Tenant shall, at Tenant's sole cost and expense, store any refuse generated in the Premises by the consumption of food or beverages in a cold box or similar facility.

5.18 Energy Conservation.

Landlord may institute upon written notice to Tenant such policies, programs and measures as may be necessary, required, or expedient for the conservation and/or preservation of energy or energy services (collectively, the "Conservation Program"), provided however, that the Conservation Program does not, by reason of such policies, programs and measures, reduce the level of energy or energy services being provided to the Premises below the level of energy or energy services (i) then being provided in comparable combination laboratory, research and development and office buildings in the vicinity of the Premises, provided the same shall not come at a material cost to Tenant, or materially adversely affect Tenant's use of the Premises for any of the Permitted Uses, or (ii) as may be necessary or required to comply with Legal Requirements or standards or the other provisions of this Lease. Upon receipt of such notice, Tenant shall comply with the Conservation Program; provided, however, that Tenant shall not be required to incur material expenses in connection with such Conservation Program and/or such Conservation Program does not materially adversely interfere with Tenant's operation of its business on the Premises in the ordinary course (including, but not limited to, laboratory operations).

5.19 Recycling.

Upon written notice, Landlord may establish policies, programs and measures for the recycling of paper, products, plastic, tin and other materials (a "Recycling Program"). Upon receipt of such notice, Tenant will comply with the Recycling Program at Tenant's sole cost and expense so long as such programs are not a material increase in cost.

ARTICLE VI

Casualty and Taking

6.1 Damage Resulting from Casualty

In case the Building or the Site are damaged by fire or casualty such that the Premises cannot be occupied by Tenant and such fire or casualty damage cannot, in the ordinary course, reasonably be expected to be repaired within one hundred eighty (180) days from the time that repair work would commence, Landlord may, at its election, terminate this Lease by notice given to Tenant within sixty (60) days after the date of such fire or other casualty, specifying the effective date of termination. The effective date of termination specified by Landlord shall not be less than forty-five (45) days nor more than sixty (60) days after the date of notice of such termination.

In case during the last eighteen (18) months of the Lease Term, the Premises are damaged by fire or casualty and such fire or casualty damage cannot, in the ordinary course, reasonably be expected to be repaired within one hundred twenty (120) days (and/or as to special work or work which requires long lead time then if such work cannot reasonably be expected to be repaired within such additional time as is reasonable under the circumstances given the nature of the work) from the time that repair work would commence, Tenant may, at its election, terminate this Lease by notice given to Landlord within sixty (60) days after the date of such fire or other casualty, specifying the effective date of termination. The effective date of termination specified by Tenant shall be not less than thirty (30) days nor more than forty-five (45) days after the date of notice of such termination.

Unless terminated pursuant to the foregoing provisions, this Lease shall remain in full force and effect following any such damage subject, however, to the following provisions.

If the Building or the Site or any part thereof are damaged by fire or other casualty and this Lease is not so terminated, or Landlord or Tenant have no right to terminate this Lease, and in any such case the holder of any mortgage which includes the Building as a part of the mortgaged premises or any ground lessor of any ground lease which includes the Site as part of the demised premises allows the net insurance proceeds to be applied to the restoration of the Building (and/or the Site), Landlord promptly after such damage and the determination of the net amount of insurance proceeds available shall use due diligence to restore the Premises and the Building in the event of damage thereto (excluding "Tenant's Property" (as defined in Section 8.4 hereof), except as expressly provided in the immediately following paragraph of this Section 6.1) into proper condition for use and occupation and a just proportion of the Annual Fixed Rent, Tenant's Share of Operating Expenses and Tenant's Share of Real Estate Taxes according to the nature and extent of the injury to the Premises shall be abated until the Premises shall have been put by Landlord substantially into such condition except for punch list items and long lead items. Notwithstanding anything herein contained to the contrary, Landlord shall not be obligated to expend for such repair and restoration any amount in excess of the net insurance proceeds (plus any applicable deductible).

Notwithstanding the foregoing, if Landlord is proceeding with the restoration of the Building and the Premises in accordance with the previous paragraph, Landlord shall also restore any alterations, additions or improvements within the Premises that are part of Tenant's Property (x) which have previously been approved by Landlord in accordance with the terms and provisions of this Lease or which are existing in the Premises as of the date of this Lease, and (y) with

respect to which Tenant has carried "all risk" insurance covering the loss or damage in accordance with Section 8.4 below and pays the proceeds of such insurance (or an amount equivalent thereto) to Landlord within five (5) business days following Landlord's written request); provided, however, that in no event shall Landlord be required to fund any insufficiency in the insurance proceeds (or equivalent amount) provided by Tenant with respect to such loss or damage (or to fund any of the costs of restoration in the absence of any payment by Tenant).

Unless such restoration is completed within one (1) year from the date of the casualty or taking, such period to be subject, however, to extension where the delay in completion of such work is due to Force Majeure (as defined in Section 9.27) (but in no event beyond eighteen (18) months from the date of the casualty or taking), Tenant, as its sole and exclusive remedy, shall have the right to terminate this Lease at any time after the expiration of such one-year (as extended) period until the restoration is substantially completed, such termination to take effect as of the thirtieth (30th) day after the date of receipt by Landlord of Tenant's notice, with the same force and effect as if such date were the date originally established as the expiration date hereof unless, within thirty (30) days after Landlord's receipt of Tenant's notice, such restoration is substantially completed, in which case Tenant's notice of termination shall be of no force and effect and this Lease and the Lease Term shall continue in full force and effect.

6.2 Uninsured Casualty

Notwithstanding anything to the contrary contained in this Lease, if the Building or the Premises shall be substantially damaged by fire or casualty as the result of a risk not covered by the forms of casualty insurance at the time maintained by Landlord and such fire or casualty damage cannot, in the ordinary course, reasonably be expected to be repaired within ninety (90) days from the time that repair work would commence, Landlord may, at its election, terminate the Term of this Lease by notice to the Tenant given within sixty (60) days after such loss. If Landlord shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

6.3 Rights of Termination for Taking

If the entire Building, or such portion of the Premises as to render the balance (if reconstructed to the maximum extent practicable in the circumstances) unsuitable for Tenant's purposes, shall be taken by condemnation or right of eminent domain, Landlord or Tenant shall have the right to terminate this Lease by notice to the other of its desire to do so, provided that such notice is given not later than thirty (30) days after Tenant has been deprived of possession. If either party shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

Further, if so much of the Building shall be so taken that continued operation of the Building would be uneconomic as a result of the taking, Landlord shall have the right to terminate this Lease by giving notice to Tenant of Landlord's desire to do so not later than thirty (30) days after Tenant has been deprived of possession of the Premises (or such portion thereof as may be taken). If Landlord shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

Should any part of the Premises be so taken or condemned during the Lease Term hereof, and should this Lease not be terminated in accordance with the foregoing provisions, and the holder of any mortgage which includes the Premises as part of the mortgaged premises or any ground lessor of any ground lease which includes the Site as part of the demised premises allows the net condemnation proceeds to be applied to the restoration of the Building, Landlord agrees that after the determination of the net amount of condemnation proceeds available to Landlord, Landlord shall use due diligence to put what may remain of the Premises into proper condition for use and occupation as nearly like the condition of the Premises prior to such taking as shall be practicable (excluding Tenant's Property). Notwithstanding the foregoing, Landlord shall not be obligated to expend for such repair and restoration any amount in excess of the net condemnation proceeds made available to it.

If the Premises shall be affected by any exercise of the power of eminent domain, then the Annual Fixed Rent, Tenant's Share of Operating Expenses and Tenant's Share of Real Estate Taxes shall be justly and equitably abated and reduced according to the nature and extent of the loss of use thereof suffered by Tenant; and in case of a taking which permanently reduces the Rentable Floor Area of the Premises, a just proportion of the Annual Fixed Rent, Tenant's Share of Operating Expenses and Tenant's Share of Real Estate Taxes shall be abated for the remainder of the Lease Term.

6.4 Award

Landlord shall have and hereby reserves to itself any and all rights to receive awards made for damages to the Premises, the Buildings, the Property and the Site and the leasehold hereby created, or any one or more of them, accruing by reason of exercise of eminent domain or by reason of anything lawfully done in pursuance of public or other authority. Tenant hereby grants, releases and assigns to Landlord all Tenant's rights to such awards, and covenants to execute and deliver such further assignments and assurances thereof as Landlord may from time to time request, and if Tenant shall fail to execute and deliver the same within fifteen (15) days after notice from Landlord, Tenant hereby covenants and agrees that Landlord shall be irrevocably designated and appointed as its attorney-in-fact to execute and deliver in Tenant's name and behalf all such further assignments thereof which conform with the provisions hereof.

Nothing contained herein shall be construed to prevent Tenant from prosecuting in any condemnation proceeding a claim for the value of any of Tenant's usual trade fixtures installed in the Premises by Tenant at Tenant's expense and for relocation and moving expenses, provided that such action and any resulting award shall not affect or diminish the amount of compensation otherwise recoverable by Landlord from the taking authority.

ARTICLE VII

Default

7.1 Tenant's Default

(a) If at any time subsequent to the date of this Lease any one or more of the following events (herein sometimes called an "Event of Default") shall occur:

(i) Tenant shall fail to pay the fixed rent, Additional Rent or other charges for which provision is made herein on or before the date on which the same become due and payable, and the same continues for five (5) days after written notice from Landlord thereof; or

(ii) Landlord having rightfully given the notice specified in subdivision (i) above twice in any calendar year, Tenant shall thereafter in the same calendar year fail to pay the fixed rent, Additional Rent or other charges on or before the date on which the same become due and payable; or

(iii) Tenant shall assign its interest in this Lease or sublet any portion of the Premises in violation of the requirements of Sections 5.7 through 5.7.6 of this Lease; or

(iv) Tenant shall fail to perform or observe some term or condition of this Lease which, because of its character, would immediately jeopardize Landlord's interest (such as, but without limitation, failure to maintain general liability insurance or any material violation of Section 5.4 hereof), and such failure continues for three (3) days after notice from Landlord to Tenant thereof; or

(v) Tenant shall neglect or fail to perform or observe any other covenant herein contained on Tenant's part to be performed or observed and Tenant shall fail to remedy the same within thirty (30) days after notice to Tenant specifying such neglect or failure, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (30) day period, Tenant shall fail to commence promptly to remedy the same and to prosecute such remedy to completion with diligence and continuity; or

(vi) Tenant's leasehold interest in the Premises shall be taken on execution or by other process of law directed against Tenant; or

(vii) Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation for the relief of debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties, or shall admit in writing its inability to pay its debts generally as they become due; or

(viii) A petition shall be filed against Tenant in bankruptcy or under any other law seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future Federal, State or other statute, law or regulation and shall remain undismissed or unstayed for an aggregate of one hundred twenty (120) days (whether or not consecutive), or if any debtor in possession (whether or not Tenant) trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed

without the consent or acquiescence of Tenant and such appointment shall remain unvacated or unstayed for an aggregate of one hundred twenty (120) days (whether or not consecutive) then, and in any of said cases (notwithstanding any license of a former breach of covenant or waiver of the benefit hereof or consent in a former instance).

Landlord lawfully may, immediately or at any time thereafter, and without demand or further notice terminate this Lease by notice to Tenant, specifying a date not less than ten (10) days after the giving of such notice on which this Lease shall terminate, and this Lease shall come to an end on the date specified therein as fully and completely as if such date were the date herein originally fixed for the expiration of the Lease Term (Tenant hereby waiving any rights of redemption), and Tenant will then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided.

(b) If this Lease shall have been terminated as provided in this Article, then Landlord may, without notice, re- enter the Premises, either by force, summary proceedings, ejectment or otherwise, and remove and dispossess Tenant and all other persons and any and all property from the same, as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

(c) In the event that this Lease is terminated under any of the provisions contained in Section 7.1 (a) or shall be otherwise terminated by breach of any obligation of Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed herein for the payment thereof, amounts equal to the several installments of rent and other charges reserved as they would, under the terms of this Lease, become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, and for the whole thereof, but in the event the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all expenses incurred in reletting the Premises (including, without limitation, remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner:

Amounts received by Landlord after reletting shall first be applied against such Landlord’s expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant’s liability prior to any such reletting and such recovery not in any way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease); when and if such expenses have been completely recovered, the amounts received from reletting by Landlord as have not previously been applied shall be credited against Tenant’s obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant. Further, amounts received by Landlord from such reletting for any period shall be credited only against obligations of Tenant allocable to such period, and shall not be credited against obligations of Tenant hereunder accruing subsequent or prior to such period; nor shall any credit of any kind be due for any period after the date when the term of

this Lease is scheduled to expire according to its terms.

Landlord agrees to use commercially reasonable efforts to relet the Premises after Tenant vacates the same in the event this Lease is terminated based upon an Event of Default by Tenant hereunder. The marketing of the Premises in a manner similar to the manner in which Landlord markets other premises within Landlord's control within the Building shall be deemed to have satisfied Landlord's obligation to use "reasonable efforts" hereunder. In no event shall Landlord be required to (i) solicit or entertain negotiations with any other prospective tenant for the Premises until Landlord obtains full and complete possession of the Premises (including, without limitation, the final and unappealable legal right to relet the Premises free of any claim of Tenant), (ii) relet the Premises before leasing other vacant space in the Building, or (iii) lease the Premises for a rental less than the current fair market rent then prevailing for similar office/research/laboratory space in the Building.

(d) (i)In the alternative, Landlord may elect, by notice given to Tenant at any time after such termination and whether or not Landlord shall have collected any damages under subsection (c) above, but as final damages and in lieu of all other damages beyond the date of such notice, to require Tenant to pay such a sum as at the time of the giving of such notice represents the amount of the excess, if any, of (a) the discounted present value, at a discount rate of 6%, of the total rent and other charges which would have been payable by Tenant under this Lease from the date of such notice for what would be the then unexpired Lease Term if the Lease terms had been fully complied with by Tenant over and above (b) the discounted present value, at a discount rate of 6%, of the total rent and other charges that would be received by Landlord if the Premises were released at the time of such notice for the remainder of the Lease Term at the fair market value (including provisions regarding periodic increases in rent if such are applicable) prevailing at the time of such notice as reasonably determined by Landlord, plus all expenses which Landlord may have incurred with respect to the collection of such damages.

(ii) For the purposes of this Article, if Landlord elects to require Tenant to pay damages in accordance with the immediately preceding paragraph, the total rent shall be computed by assuming that Tenant's Share of Real Estate Taxes, Tenant's Share of Operating Expenses and Tenant's share of excess electrical costs would be, for the balance of the unexpired Term from the date of such notice, the amount thereof (if any) for the immediately preceding annual period payable by Tenant to Landlord.

(e) In case of any Event of Default, re-entry, dispossession by summary proceedings or otherwise, Landlord may (i) re-let the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease and may grant concessions, abatements or free rent to the extent that Landlord considers advisable or necessary to re-let the same and (ii) may make such alterations, repairs and decorations in the Premises as Landlord in its sole judgment considers advisable or necessary for the purpose of reletting the Premises; and the making of such alterations, repairs and decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises, or, in the event that the

Premises are re-let, for failure to collect the rent under re-letting. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease.

(f) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for. Further, nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

(g) In lieu of any other damages or indemnity and in lieu of the recovery by Landlord of all sums payable under all the foregoing provisions of this Section 7.1, Landlord may elect to collect from Tenant, by notice to Tenant, given to Tenant at the time of termination and Tenant shall thereupon pay, as liquidated damages, an amount equal to the sum of the Annual Fixed Rent payable for the twelve (12) months ended next prior to such termination plus the amount of Annual Fixed Rent of any kind accrued and unpaid at the time of such termination.

7.2 Landlord's Default

Landlord shall in no event be in default in the performance of any of Landlord's obligations hereunder unless and until Landlord shall have failed to perform such obligations within thirty (30) days, or such additional time as is reasonably required to correct any such default, after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. The Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against the Landlord from rent thereafter due and payable, but shall look solely to the Landlord for satisfaction of such claim.

ARTICLE VIII

Insurance and Indemnity

8.1 Tenant's Indemnity

(a) Indemnity. To the fullest extent permitted by law, Tenant waives any right to contribution against the Landlord Parties (as hereinafter defined) and agrees to indemnify and save harmless the Landlord Parties from and against all claims of whatever nature by a third party arising from or claimed to have arisen from (i) any act, omission or negligence of the Tenant Parties (as hereinafter defined); (ii) any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring in or about the Premises from the earlier of (A) the date on which any Tenant Party first enters the Premises for any reason or (B) the Commencement Date, and thereafter throughout and until the end of the Lease Term, and after the end of the Lease

Term for so long after the end of the Lease Term as any of Tenant's Property (as defined in Section 8.4) remains on the Premises, or Tenant or anyone acting by, through or under Tenant may use, be in occupancy of any part of, or have access to the Premises or any portion thereof; (iii) any accident, injury or damage whatsoever occurring outside the Premises but within the Building, or on common areas or the Office Park, where such accident, injury or damage results, or is claimed to have resulted, from any act, omission or negligence on the part of any of the Tenant Parties; or (iv) any breach of this Lease by Tenant. Tenant shall pay such indemnified amounts as they are incurred by the Landlord Parties. This indemnification shall not be construed to deny or reduce any other rights or obligations of indemnity that any of the Landlord Parties may have under this Lease. The indemnification rights of Landlord Parties provided in this Lease are their exclusive indemnification rights with respect to this Lease. Landlord Parties waive any additional rights to indemnification they may have against Tenant Parties with respect to this Lease under common law. Notwithstanding anything contained herein to the contrary, Tenant shall not be obligated to indemnify a Landlord Party for any claims to the extent that such Landlord Party's damages in fact result from matters included in Landlord's indemnity in Section 8.1.1 of this Article.

(b) Breach. In the event that Tenant breaches any of its indemnity obligations hereunder: (i) Tenant shall pay to the Landlord Parties all liabilities, loss, cost, or expense (including reasonable attorneys' fees) incurred as a result of said breach, and the reasonable value of time expended by the Landlord Parties as a result of said breach; and (ii) the Landlord Parties may deduct and offset from any amounts due to Tenant under this Lease any amounts owed by Tenant pursuant to this Section 8.1(b).

(c) No limitation. The indemnification obligations under this Section 8.1 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant or any subtenant or other occupant of the Premises under workers' compensation acts, disability benefit acts, or other employee benefit acts. Tenant waives any immunity from or limitation on its indemnity or contribution liability to the Landlord Parties based upon such acts.

(d) Subtenants and other occupants. Tenant shall require its subtenants and other occupants of the Premises to provide similar indemnities to the Landlord Parties in a form reasonably acceptable to Landlord.

(e) Survival. The terms of this Section 8.1 shall survive any termination or expiration of this Lease.

(f) Costs. The foregoing indemnity and hold harmless agreement shall include indemnity for all costs, expenses and liabilities (including, without limitation, attorneys' fees and disbursements) incurred by the Landlord Parties in connection with any such claim or any action or proceeding brought thereon, and the defense thereof. In addition, in the event that any action or proceeding shall be brought against one or more Landlord Parties by reason of any such claim, Tenant, upon request from the Landlord Party, shall resist and defend such action or proceeding on behalf of the Landlord Party by counsel appointed by Tenant's insurer (if such claim is covered by insurance without reservation) or otherwise by counsel reasonably satisfactory to the Landlord Party. The Landlord Parties shall not be bound by any compromise or settlement of any such claim, action or proceeding without the prior written consent of such Landlord Parties.

(g) Landlord Parties and Tenant Parties. The term "Landlord Party" or "Landlord Parties" shall mean Landlord, any affiliate of Landlord, Landlord's managing agents for the Building, each mortgagee (if any), each ground lessor (if any), and each of their respective direct or indirect partners, officers, shareholders, directors, members, trustees, beneficiaries, servants, employees, principals, contractors, licensees, agents or representatives. For the purposes of this Lease, the term "Tenant Party" or "Tenant Parties" shall mean Tenant, any affiliate of Tenant, any permitted subtenant or any other permitted occupant of the Premises, and each of their respective direct or indirect partners, officers, shareholders, directors, members, trustees, beneficiaries, servants, employees, principals, contractors, licensees, agents, invitees or representatives.

8.1.1 Landlord's Indemnity. Subject to the limitations in Section 9.3 and in Section 8.2 and Section 8.13 of this Article, and to the extent not resulting from any act, omission, fault, negligence or misconduct of Tenant or its contractors, licensees, invitees, agents, servants or employees, Landlord waives its right to contribution and agrees to indemnify and save harmless Tenant from and against any claim by a third party arising from any injury to any person occurring in the Premises or in the Property after the date that possession of the Premises is first delivered to Tenant and until the expiration or earlier termination of the Lease Term, to the extent such injury results from the negligence or willful misconduct of Landlord or Landlord's employees, or from any breach or default by Landlord in the performance or observance of its covenants or obligations under this Lease; provided, however, that in no event shall the aforesaid indemnity render Landlord responsible or liable for any loss or damage to fixtures, personal property or other property of Tenant, and Landlord shall in no event be liable for any indirect or consequential damages. Tenant shall provide notice of any such third party claim to Landlord as soon as practicable. Landlord shall have the right, but not the duty, to defend the claim. The provisions of this Section shall not be applicable to (i) the holder of any mortgage now or hereafter on the Property or Building (whether or not such holder shall be a mortgagee in possession of or shall have exercised any rights under a conditional, collateral or other assignment of leases and/or rents respecting the Property or Building), or (ii) any person acquiring title as a result of, or subsequent to, a foreclosure of any such mortgage or a deed in lieu of foreclosure, except to the extent of liability insurance maintained by either of the foregoing. The indemnification rights of Tenant provided in this Lease are its exclusive indemnification rights with respect to this Lease. Tenant waives any additional rights to indemnification it may have against Landlord Parties with respect to this Lease under common law.

8.2 Tenant's Risk

Tenant agrees to use and occupy the Premises, and to use such other portions of the Building and the Office Park as Tenant is given the right to use by this Lease at Tenant's own risk. The Landlord Parties shall not be liable to the Tenant Parties for any damage, injury, loss, compensation, or claim (including, but not limited to, claims for the interruption of or loss to a Tenant Party's business) based on, arising out of or resulting from any cause whatsoever, including, but not limited to, repairs to any portion of the Premises or the Building or the Office Park, any fire, robbery, theft, mysterious disappearance, or any other crime or casualty, any cyber attack affecting the Building, systems or any computer systems in the Premises, the actions of any other tenants of the Building or of any other person or persons, or any leakage in any part

or portion of the Premises or the Building or the Office Park, or from water, rain or snow that may leak into, or flow from any part of the Premises or the Building or the Office Park, or from drains, pipes or plumbing fixtures in the Building or the Office Park. Any goods, property or personal effects stored or placed in or about the Premises shall be at the sole risk of the Tenant Party, and neither the Landlord Parties nor their insurers shall in any manner be held responsible therefor. The Landlord Parties shall not be responsible or liable to a Tenant Party, or to those claiming by, through or under a Tenant Party, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connecting with the Premises or any part of the Building or otherwise. The provisions of this section shall be applicable to the fullest extent permitted by law, and until the expiration or earlier termination of the Lease Term, and during such further period as any of Tenant's Property remains on the Premises, or Tenant or anyone acting by, through or under Tenant may use, be in occupancy of any part of, or have access to the Premises or of the Building.

8.3 Tenant's Commercial General Liability Insurance

Tenant agrees to maintain in full force on or before the earlier of (i) the date on which any Tenant Party first enters the Premises for any reason or (ii) the Commencement Date, and thereafter throughout and until the end of the Lease Term, and after the end of the Lease Term for so long as any of Tenant's Property remains on the Premises, or Tenant or anyone acting by, through or under Tenant may use, be in occupancy of any part of, or have access to the Premises or any portion thereof, a policy of commercial general liability insurance, on an occurrence basis, issued on a form at least as broad as Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form CG 00 01 10 01 or another Commercial General Liability "occurrence" form providing equivalent coverage. Such insurance shall include contractual liability coverage, specifically covering but not limited to the indemnification obligations undertaken by Tenant in this Lease. The minimum limits of liability of such insurance shall be $5,000,000 per occurrence, which may be satisfied through a combination of primary and excess/umbrella insurance. In addition, in the event Tenant hosts a function in the Premises, in the Building or on the Property, Tenant agrees to obtain, and cause any persons or parties providing services for such function to obtain, the appropriate insurance coverages as determined by Landlord (including liquor liability coverage, if applicable) and provide Landlord with evidence of the same.

8.4 Tenant's Property Insurance

Tenant shall maintain at all times during the Term of this Lease, and during such earlier or later time as Tenant may be performing work in or to the Premises or have property, fixtures, furniture, equipment, machinery, goods, supplies, wares or merchandise on the Premises, and continuing thereafter so long as any of Tenant's Property, remains on the Premises, or Tenant or anyone acting by, through or under Tenant may use, be in occupancy of or have access to, any part of the Premises, business interruption insurance and insurance against loss or damage covered by the so-called "all risk" or equivalent type insurance coverage with respect to (i) Tenant's property, fixtures, furniture, equipment, machinery, goods, supplies, wares and merchandise, and other property of Tenant located at the Premises, (ii) all additions, alterations and improvements made by or on behalf of the Tenant in the Premises (except to the extent paid for by Landlord in connection with this Lease) or existing in the Premises as of the date of this Lease ("Leasehold Improvements"), and (iii) any property of third parties, including but not limited to leased or rented property, in the Premises in Tenant's care, custody, use or control,

provided that such insurance in the case of (iii) may be maintained by such third parties, (collectively, "Tenant's Property"). At the request of Landlord, Tenant shall provide to Landlord a detailed description of the Leasehold Improvements made by or on behalf of Tenant and the cost thereof. The business interruption insurance required by this section shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than the Annual Fixed Rent then in effect during any year during the Term, plus any Additional Rent due and payable for the immediately preceding year during the Term. The "all risk" insurance required by this section shall be in an amount at least equal to the full replacement cost of Tenant's Property. In addition, during such time as Tenant is performing work in or to the Premises, Tenant, at Tenant's expense, shall also maintain, or shall cause its contractor(s) to maintain, builder's risk insurance for the full insurable value of such work. Landlord and such additional persons or entities as Landlord may reasonably request shall be named as loss payees, as their interests may appear, on the policy or policies required by this section for Leasehold Improvements. In the event of loss or damage covered by the "all risk" insurance required by this Lease, the responsibilities for repairing or restoring the loss or damage shall be determined in accordance with Article VI. To the extent that Landlord is obligated to pay for the repair or restoration of the loss or damage covered by the policy, Landlord shall be paid the proceeds of the "all risk" insurance covering the loss or damage. To the extent Tenant is obligated to pay for the repair or restoration of the loss or damage, covered by the policy, Tenant shall be paid the proceeds of the "all risk" insurance covering the loss or damage. If both Landlord and Tenant are obligated to pay for the repair or restoration of the loss or damage covered by the policy, the insurance proceeds shall be paid to each of them in the pro rata proportion of their obligations to repair or restore the loss or damage. If the loss or damage is not repaired or restored (for example, if the Lease is terminated pursuant to Article VI), the insurance proceeds shall be paid to Landlord and Tenant in the pro rata proportion of their relative contributions to the cost of the leasehold improvements covered by the policy.

8.5 Tenant's Other Insurance

Tenant agrees to maintain in full force on or before the earlier of (i) the date on which any Tenant Party first enters the Premises for any reason or (ii) the Commencement Date, and thereafter throughout the end of the Term, and after the end of the Term for so long after the end of the Term any of Tenant's Property remains on the Premises or as Tenant or anyone acting by, through or under Tenant may use, be in occupancy of, or have access to the Premises or any portion thereof, (1) automobile liability insurance (covering any automobiles owned or operated by Tenant at the Site); (2) worker's compensation insurance as required by law; and (3) employer's liability insurance. Such automobile liability insurance shall be in an amount not less than One Million Dollars ($1,000,000) for each accident. Such employer's liability insurance shall be in an amount not less than One Million Dollars ($1,000,000) for each accident, One Million Dollars ($1,000,000) disease-policy limit, and One Million Dollars ($1,000,000) disease-each employee.

Tenant shall also maintain Pollution Legal Liability (PLL) insurance with limits not less than $5,000,000 per occurrence covering loss arising out of on-site and off-site cleanup costs, on-site and off-site third-party bodily injury claims and third-party property damage claims must be maintained by Tenant from commencement of the Lease through the expiration of the Term. The PLL policy shall provide "new conditions" coverage for any pollution conditions and/or releases of Hazardous Materials (i) first occurring during the Term, and (ii) arising out of Tenant's use and occupancy of the Premises and the Property including, without limitation, the activities and operations of Tenant and Tenant's agents, invitees, employees and

contractors. The PLL policy shall also explicitly include coverage for all non-owned disposal sites utilized by the Tenant for waste disposal and coverage for low-level and other radioactive materials associated with Tenant's activities (if any). In addition, the PLL policy shall not include an "insured v. insured" exclusion, any contaminant specific exclusions or any exclusions relating to specific activities/operations conducted by Tenant.

8.6 Requirements for Tenant's Insurance

All insurance required to be maintained by Tenant pursuant to this Lease shall be maintained with responsible companies that are admitted to do business, and are in good standing in the Commonwealth of Massachusetts and that have a rating of at least "A" and are within a financial size category of not less than "Class X" in the most current Best's Key Rating Guide or such similar rating as may be reasonably selected by Landlord. All such insurance shall: (1) be acceptable in form and content to Landlord; and (2) contain a clause requiring the insurer to provide Landlord thirty (30) days' prior written notice of cancellation or failure to renew. All commercial general liability, excess/umbrella liability and automobile liability insurance policies shall be primary and noncontributory. No such policy shall contain any self-insured retention greater than $100,000.00 for property insurance and $25,000.00 for commercial general liability insurance. Any deductibles and such self-insured retentions shall be deemed to be "insurance" for purposes of the waiver in Section 8.13 below. Landlord reserves the right from time to time to require Tenant to obtain higher minimum amounts of insurance based on such limits as are customarily carried with respect to similar properties in the area in which the Premises are located. The minimum amounts of insurance required by this Lease shall not be reduced by the payment of claims or for any other reason. In the event Tenant shall fail to obtain or maintain any insurance meeting the requirements of this Article, or to deliver such policies or certificates as required by this Article, Landlord may, at its option, on five (5) days' notice to Tenant, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor. Landlord reserves the right to use a third-party provider to administer the collection of Tenant's insurance certificates and compliance with the insurance requirements hereunder. In the event Landlord chooses to do so, Landlord's service provider will contact Tenant using Tenant's Email Address for Insurance Matters listed in Section 1.1 to provide further information.

8.7 Additional Insureds

To the fullest extent permitted by law, the commercial general liability and auto insurance carried by Tenant pursuant to this Lease, and any additional liability insurance carried by Tenant pursuant to Section 8.5 of this Lease or any other provision of this Lease, shall name Landlord, Landlord's managing agent, and such other persons as Landlord may reasonably request from time to time as additional insureds with respect to liability arising out of or related to this Lease or the operations of Tenant (collectively "Additional Insureds"). Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of Landlord, Landlord's managing agent, or other Additional Insureds. Such insurance shall also waive any right of subrogation against each Additional Insured. For the avoidance of doubt, each primary policy and each excess/umbrella policy through which Tenant satisfies its obligations under this Section 8.7 must provide coverage to the Additional Insureds that is primary and non-contributory.

8.8 Certificates of Insurance

On or before the earlier of (i) the date on which any Tenant Party first enters the Premises for any reason or (ii) the Commencement Date, Tenant shall furnish Landlord with certificates evidencing the insurance coverage required by this Lease, and renewal certificates shall be furnished to Landlord at least annually thereafter, and at least thirty (30) days prior to the expiration date of each policy for which a certificate was furnished (acceptable forms of such certificates for liability and property insurance, respectively, as of the date hereof, are attached as Exhibit H, however, other forms of certificates may satisfy the requirements of this Section 8.8). Failure by the Tenant to provide the certificates or letters required by this Section 8.8 shall not be deemed to be a waiver of the requirements in this Section 8.8. Upon request by Landlord, a true and complete copy of any insurance policy required by this Lease shall be delivered to Landlord within ten (10) days following Landlord's request.

8.9 Subtenants and Other Occupants

Tenant shall require its subtenants and other occupants of the Premises to provide written documentation evidencing the obligation of such subtenant or other occupant to indemnify the Landlord Parties to the same extent that Tenant is required to indemnify the Landlord Parties pursuant to Section 8.1 above, and to maintain insurance that meets the requirements of this Article, and otherwise to comply with the requirements of this Article, provided that the terms of this Section 8.9 shall not relieve Tenant of any of its obligations to comply with the requirements of this Article. Tenant shall require all such subtenants and occupants to supply certificates of insurance evidencing that the insurance requirements of this Article have been met and shall forward such certificates to Landlord on or before the earlier of (i) the date on which the subtenant first enters the Premises or (ii) the commencement of the sublease. Tenant shall be responsible for identifying and remedying any deficiencies in such certificates or policy provisions.

8.10 No Violation of Building Policies

Tenant shall not commit or permit any violation of the policies of fire, boiler, sprinkler, water damage or other insurance covering the Office Park and/or the fixtures, equipment and property therein carried by Landlord, or do or permit anything to be done, or keep or permit anything to be kept, in the Premises, which in case of any of the foregoing (i) would result in termination of any such policies, (ii) would adversely affect Landlord's right of recovery under any of such policies, or (iii) would result in reputable and independent insurance companies refusing to insure the Office Park or the property of Landlord in amounts reasonably satisfactory to Landlord.

8.11 Tenant to Pay Premium Increases

If, because of anything done, caused or permitted to be done, or omitted by Tenant (or its subtenant or other occupants of the Premises), the rates for liability, fire, boiler, sprinkler, water damage or other insurance on the Office Park or on the Property and equipment of Landlord or any other tenant or subtenant in the Building shall be higher than they otherwise would be, Tenant shall reimburse Landlord and/or the other tenants and subtenants in the Building for the additional insurance premiums thereafter paid by Landlord or by any of the other tenants and subtenants in the Building which shall have been charged because of the aforesaid reasons, such reimbursement to be made from time to time on Landlord's demand.

8.12 Landlord's Insurance

(a) Required insurance. Landlord shall maintain insurance against loss or damage with respect to the Building on an "all risk" or equivalent type insurance form, with customary exceptions, subject to such deductibles and self insured retentions as Landlord may determine, in an amount equal to at least the replacement value of the Building. Landlord shall also maintain such insurance with respect to any improvements, alterations, and fixtures of Tenant located at the Premises to the extent paid for by Landlord. The cost of such insurance shall be treated as a part of Landlord's Operating Expenses. Payment for losses thereunder shall be made solely to Landlord.

(b) Optional insurance. Landlord may maintain such additional insurance with respect to the Building and the Office Park, including, without limitation, earthquake insurance, terrorism insurance, flood insurance, liability insurance and/or rent insurance, as Landlord may in its sole discretion elect. Landlord may also maintain such other insurance as may from time to time be required by the holder of any mortgage on the Building or Property. The cost of all such additional insurance shall also be part of the Landlord's Operating Expenses.

(c) Blanket and self-insurance. Any or all of Landlord's insurance may be provided by blanket coverage maintained by Landlord or any affiliate of Landlord under its insurance program for its portfolio of properties, or by Landlord or any affiliate of Landlord under a program of self-insurance, and in such event Landlord's Operating Expenses shall include the portion of the reasonable cost of blanket insurance or self-insurance that is allocated to the Building.

(d) No obligation. Landlord shall not be obligated to insure, and shall not assume any liability of risk of loss for, Tenant's Property, including any such property or work of Tenant's subtenants or occupants. Landlord will also have no obligation to carry insurance against, nor be responsible for, any loss suffered by Tenant, subtenants or other occupants due to interruption of Tenant's or any subtenant's or occupant's business.

8.13 Waiver of Subrogation

To the fullest extent permitted by law, and notwithstanding any term or provision of this Lease to the contrary, the parties hereto waive and release any and all rights of recovery against the other, and agree not to seek to recover from the other or to make any claim against the other, and in the case of Landlord, against all Tenant Parties, and in the case of Tenant, against all Landlord Parties, for any loss or damage incurred by the waiving/releasing party to the extent such loss or damage is insured under any insurance policy required by this Lease or which would have been so insured had the party carried the insurance it was required to carry hereunder. Tenant shall obtain from its subtenants and other occupants of the Premises a similar waiver and release of claims against any or all of Tenant or Landlord. In addition, the parties hereto (and in the case of Tenant, its subtenants and other occupants of the Premises) shall procure an appropriate clause in, or endorsement on, any insurance policy required by this Lease pursuant to which the insurance company waives subrogation. The insurance policies required by this Lease shall contain no provision that would invalidate or restrict the parties' waiver and release of the rights of recovery in this section. The parties hereto covenant that no insurer shall hold any right of subrogation against the parties hereto by virtue of such insurance policy.

8.14 Tenant's Work

During such times as Tenant is performing work or having work or services performed in or to the Premises, Tenant shall require its contractors, and their subcontractors of all tiers, to obtain and maintain commercial general liability, automobile, workers compensation, employer's liability, builder's risk, and equipment/property insurance in such amounts and on such terms as are customarily required of such contractors and subcontractors on similar projects. The amounts and terms of all such insurance are subject to Landlord's written approval, which approval shall not be unreasonably withheld. The commercial general liability and auto insurance carried by Tenant's contractors and their subcontractors of all tiers pursuant to this Section 8.14 shall name the Additional Insureds as additional insureds with respect to liability arising out of or related to their work or services. Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of Landlord, Landlord's managing agent, or other Additional Insureds. Such insurance shall also waive any right of subrogation against each Additional Insured. Tenant shall obtain and submit to Landlord, prior to the earlier of (i) the entry onto the Premises by such contractors or subcontractors or (ii) commencement of the work or services, certificates of insurance evidencing compliance with the requirements of this Section 8.14.

ARTICLE IX

Miscellaneous Provisions

9.1 Waiver

No waiver by Landlord of any condition of this Lease, nor any failure by Tenant to deliver any security deposit, letter of credit, pre-paid rent, financial information, guaranty or other item required upon the execution and delivery of this Lease, shall be construed as excusing satisfaction of any such condition or the delivery of any such item by Tenant, and Landlord reserves the right to declare the failure of Tenant to satisfy any such condition or deliver any such item an Event of Default under this Lease. Further, no waiver at any time of any of the provisions hereof by Landlord or Tenant shall be construed as a waiver of any of the other provisions hereof, and a waiver at any time of any of the provisions hereof shall not be construed as a waiver at any subsequent time of the same provisions. The consent or approval of Landlord or Tenant to or of any action by the other requiring such consent or approval shall not be construed to waive or render unnecessary Landlord's or Tenant's consent or approval to or of subsequent similar act by the other.

No payment by Tenant, or acceptance by Landlord, of a lesser amount than shall be due from Tenant to Landlord shall be treated otherwise than as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment in full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant.

9.2 Cumulative Remedies

Except as expressly provided in this Lease, the specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other

remedies or means of redress to which such party may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies provided in this Lease, Landlord shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

9.3 Quiet Enjoyment

This Lease is subject and subordinate to all matters of record, including, without limitation, the matters described on Exhibit A attached hereof. Tenant, subject to the terms and provisions of this Lease on payment of the rent and observing, keeping and performing all of the terms and provisions of this Lease on Tenant's part to be observed, kept and performed, shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Premises during the Term (exclusive of any period during which Tenant is holding over after the expiration or termination of this Lease without the consent of Landlord), without hindrance or ejection by any persons lawfully claiming under Landlord to have title to the Premises superior to Tenant, subject, however, to the terms of this Lease; the foregoing covenant of quiet enjoyment is in lieu of any other covenant, express or implied; and it is understood and agreed that this covenant and any and all other covenants of Landlord contained in this Lease shall be binding upon Landlord and Landlord's successors, including ground or master lessees, only with respect to breaches occurring during Landlord's or Landlord's successors' respective ownership of Landlord's interest hereunder, as the case may be.

Further, Tenant specifically agrees to look solely to Landlord's then equity interest in the Building at the time owned, or in which Landlord holds an interest as ground lessee, for recovery of any judgment from Landlord; it being specifically agreed that neither Landlord (original or successor), nor any beneficiary of any trust of which any person holding Landlord's interest is trustee, nor any member, manager, partner, director or stockholder, nor Landlord's managing agent, shall ever be personally liable for any such judgment, or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest, or any action not involving the personal liability of Landlord (original or successor), any successor trustee to the persons named herein as Landlord, or any beneficiary of any trust of which any person holding Landlord's interest is trustee, or of any manager, member, partner, director or stockholder of Landlord or of Landlord's managing agent to respond in monetary damages from Landlord's assets other than Landlord's equity interest aforesaid in the Building, but in no event shall Tenant have the right to terminate or cancel this Lease or to withhold rent or to set-off any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its covenants or any warranties or promises hereunder, except in the case of a wrongful eviction of Tenant from the demised premises (constructive or actual) by Landlord continuing after notice to Landlord thereof and a reasonable opportunity for Landlord to cure the same.

In the event that Landlord shall be determined to have acted unreasonably in withholding any consent or approval under this Lease, the sole recourse and remedy of Tenant in respect thereof shall be to specifically enforce Landlord's obligation to grant such consent or approval, and in no event shall the Landlord be responsible for any damages of whatever nature in respect of its failure to give such consent or approval nor shall the same otherwise affect the obligations of Tenant under this Lease or act as any termination of this Lease.

In no event shall Landlord ever be liable to Tenant for any indirect or consequential damages or loss of profits or the like in connection with this Lease.

9.4 Notice to Mortgagee and Ground Lessor

After receiving notice from any person, firm or other entity that it holds a mortgage which includes the Premises as part of the mortgaged premises, or that it is the ground lessor under a lease with Landlord, as ground lessee, which includes the Premises as a part of the demised premises, no notice from Tenant to Landlord shall be effective unless and until a copy of the same is given to such holder or ground lessor, and the curing of any of Landlord's defaults by such holder or ground lessor within a reasonable time thereafter (including a reasonable time to obtain possession of the premises if the mortgagee or ground lessor elects to do so) shall be treated as performance by Landlord. For the purposes of this Section 9.4 or Section 9.14, the term "mortgage" includes a mortgage on a leasehold interest of Landlord (but not one on Tenant's leasehold interest). If any mortgage is listed on Exhibit I then the same shall constitute notice from the holder of such mortgage for the purposes of this Section 9.4. Further no Annual Fixed Rent or Additional Rent may be paid by Tenant more than thirty (30) days in advance except with the prior written consent of all holder(s) of such mortgages and ground leases, and any such payment without such consent shall not be binding on such holder(s).

9.5 Assignment of Rents

With reference to any assignment by Landlord of Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage or ground lease on property which includes the Premises, Tenant agrees:

(a) That the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage or the ground lessor, shall never be treated as an assumption by such holder or ground lessor of any of the obligations of Landlord hereunder, unless such holder, or ground lessor, shall, by notice sent to Tenant, specifically otherwise elect; and

(b) That, except as aforesaid, such holder or ground lessor shall be treated as having assumed Landlord's obligations hereunder only upon foreclosure of such holder's mortgage and the taking of possession of the Premises, or, in the case of a ground lessor, the assumption of Landlord's position hereunder by such ground lessor.

In no event shall the acquisition of title to the Building and the land on which the same is located by a purchaser which, simultaneously therewith, leases the entire Building or such land back to the seller thereof be treated as an assumption by such purchaser-lessor, by operation of law or otherwise, of Landlord's obligations hereunder, but Tenant shall look solely to such seller-lessee, and its successors from time to time in title, for performance of Landlord's obligations hereunder subject to the provisions of Section 9.3 hereof. In any such event, this Lease shall be subject and subordinate to the lease to such purchaser provided that such purchaser agrees to recognize the right of Tenant to use and occupy the Premises upon the payment of rent and other charges payable by Tenant under this Lease and the performance by Tenant of Tenant's obligations hereunder and provided that Tenant agrees to attorn to such purchaser. For all purposes, such seller-lessee, and its successors in title, shall be the landlord hereunder unless and until Landlord's position shall have been assumed by such purchaser-lessor. If requested by Tenant, Landlord will use commercially reasonable efforts to get such purchaser to enter into a

subordination, non-disturbance and attornment agreement in a form reasonably acceptable to Landlord, Tenant and such purchaser.

9.6 Surrender

No act or thing done by Landlord during the Lease Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of the Lease or a surrender of the Premises.

9.7 Brokerage

(A) Tenant warrants and represents that Tenant has not dealt with any broker in connection with the consummation of this Lease other than the broker, person or firm, if any, designated in Section 1.1 hereof; and in the event any claim is made against the Landlord relative to dealings by Tenant with brokers other than the Broker, if any, designated in Section 1.1 hereof, Tenant shall defend the claim against Landlord with counsel of Tenant's selection first approved by Landlord (which approval will not be unreasonably withheld) and save harmless and indemnify Landlord on account of loss, cost or damage which may arise by reason of such claim.

(B) Landlord warrants and represents that Landlord has not dealt with any broker in connection with the consummation of this Lease other than the broker, person or firm, if any, designated in Section 1.1 hereof; and in the event any claim is made against the Tenant relative to dealings by Landlord with brokers other than the Broker, if any, designated in Section 1.1 hereof, Landlord shall defend the claim against Tenant with counsel of Landlord's selection first approved by Tenant (which approval will not be unreasonably withheld) and save harmless and indemnify Tenant on account of loss, cost or damage which may arise by reason of such claim. Landlord agrees that it shall be solely responsible for the payment of brokerage commissions to the Broker for the Original Term of this Lease, if any, designated in Section 1.1 hereof.

9.8 Invalidity of Particular Provisions

If any term or provision of this Lease, including but not limited to any waiver of contribution or claims, indemnity, obligation, or limitation of liability or of damages, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

9.9 Provisions Binding, Etc.

The obligations of this Lease shall run with the land, and except as herein otherwise provided, the terms hereof shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of Landlord and Tenant and, if Tenant shall be an individual, upon and to his heirs, executors, administrators, successors and assigns. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both a covenant and a condition. The reference contained to successors and assigns of Tenant is not intended to constitute a consent to subletting or assignment by Tenant.

9.10 Recording; Confidentiality

Tenant agrees not to record the within Lease, but each party hereto agrees, on the request of the other, to execute a so-called Notice of Lease or short form lease in form recordable and complying with applicable law and reasonably satisfactory to both Landlord's and Tenant's attorneys. In no event shall such document set forth rent or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

Tenant agrees that this Lease and the terms contained herein will be treated as strictly confidential and except as required by law (or except with the written consent of Landlord) Tenant shall not disclose the same to any third party except for Tenant's partners, lenders, accountants and attorneys who have been advised of the confidentiality provisions contained herein and agree to be bound by the same. In the event Tenant is required by law to provide this Lease or disclose any of its terms, Tenant shall give Landlord prompt notice of such requirement prior to making disclosure so that Landlord may seek an appropriate protective order. If failing the entry of a protective order Tenant is compelled to make disclosure, Tenant shall only disclose portions of the Lease which Tenant is required to disclose and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to the information so disclosed.

9.11 Notices

Whenever, by the terms of this Lease, notice shall or may be given either to Landlord or to Tenant, such notice shall be in writing and shall be sent by overnight commercial courier or by registered or certified mail postage or delivery charges prepaid, as the case may be:

> If intended for Landlord, addressed to Landlord at the address set forth in Article I of this Lease (or to such other address or addresses as may from time to time hereafter be designated by Landlord by like notice) with a copy to Landlord, Attention: Regional General Counsel.
>
> If intended for Tenant, addressed to Tenant at the address set forth in Article I of this Lease except that from and after the Commencement Date the address of Tenant shall be the Premises (or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice).

Except as otherwise provided herein, all such notices shall be effective when received; provided, that (i) if receipt is refused, notice shall be effective upon the first occasion that such receipt is refused, (ii) if the notice is unable to be delivered due to a change of address of which no notice was given, notice shall be effective upon the date such delivery was attempted, (iii) if the notice address is a post office box number, notice shall be effective the day after such notice is sent as provided hereinabove or (iv) if the notice is to a foreign address, notice shall be effective two (2) days after such notice is sent as provided hereinabove.

Where provision is made for the attention of an individual or department, the notice shall be effective only if the wrapper in which such notice is sent is addressed to the attention of such individual or department. Any notice given by an attorney on behalf of Landlord or by Landlord's managing agent shall be considered as given by Landlord and shall be fully effective.

Any notice given by an attorney on behalf of Tenant shall be considered as given by Tenant and shall be fully effective.

In the event Tenant's mailing address for notices or any email address for Tenant contained in Article I should change during the Term, Tenant shall promptly notify Landlord of the same.

Time is of the essence with respect to any and all notices and periods for giving notice or taking any action thereto under this Lease.

9.12 When Lease Becomes Binding and Authority

Employees or agents of Landlord have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein and may be modified or altered only by written agreement between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change or modify any of the provisions hereof. Landlord and Tenant hereby represent and warrant to the other that all necessary action has been taken to enter this Lease and that the person signing this Lease on behalf of Landlord and Tenant has been duly authorized to do so.

9.13 Section Headings

The titles of the Articles throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

9.14 Rights of Mortgagee

This Lease shall be subject and subordinate to any mortgage now or hereafter on the Site or the Building, or both, and to each advance made or hereafter to be made under any mortgage, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor provided that the holder of such mortgage agrees to recognize the rights of Tenant under this Lease (including the right to use and occupy the Premises) upon the payment of rent and other charges payable by Tenant under this Lease and the performance by Tenant of Tenant's obligations hereunder. In confirmation of such subordination and recognition, Tenant shall execute and deliver promptly such instruments of subordination and recognition as such mortgagee may reasonably request subject to receipt of such instruments of recognition from such mortgagee as Tenant may reasonably request (Tenant hereby agreeing to pay any legal or other fees charged by the mortgagee in connection with providing the same). In the event that any mortgagee or its respective successor in title shall succeed to the interest of Landlord, then, this Lease shall nevertheless continue in full force and effect and Tenant shall and does hereby agree to attorn to such mortgagee or successor and to recognize such mortgagee or successor as its landlord. If any holder of a mortgage which includes the Premises, executed and recorded prior to the date of this Lease, shall so elect, this Lease and the rights of Tenant hereunder, shall be superior in right to the rights of such holder, with the same force and effect as if this Lease had been executed, delivered and recorded, or a statutory notice hereof recorded, prior to the execution, delivery and recording of any such mortgage. The election of any such holder shall

become effective upon either notice from such holder to Tenant in the same fashion as notices from Landlord to Tenant are to be given hereunder or by the recording in the appropriate registry or recorder's office of an instrument in which such holder subordinates its rights under such mortgage to this Lease.

If in connection with obtaining financing a bank, insurance company, pension trust or other institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or condition its consent thereto, provided that such modifications do not increase the monetary obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created.

9.15 Status Reports and Financial Statements

Recognizing that Landlord may find it necessary to establish to third parties, such as accountants, banks, potential or existing mortgagees, potential purchasers or the like, the then current status of performance hereunder, Tenant, on the request of Landlord made from time to time, will promptly furnish to Landlord, or any existing or potential holder of any mortgage encumbering the Premises, the Building, the Site and/or the Property or any potential purchaser of the Premises, the Building, the Site and/or the Property, (each an "Interested Party"), a statement of the status of any matter pertaining to this Lease, including, without limitation, acknowledgments that (or the extent to which) each party is in compliance with its obligations under the terms of this Lease. In addition, Tenant shall deliver to Landlord, or any Interested Party designated by Landlord, financial statements of Tenant and any guarantor of Tenant's obligations under this Lease, as reasonably requested by Landlord, including, but not limited to financial statements for the past three (3) years; provided however that, with respect to financial statements of Tenant, if Tenant is a public company, Tenant shall only be obligated to direct Landlord to the website where such statements are available for copying. Notwithstanding the foregoing: (i) in no event shall Landlord request such statements more often than one (1) time per calendar year, unless such statements are requested by Landlord in connection with a sale or financing of the Building or an Event of Default by Tenant. Any non-public financial statements shall be treated as confidential and may be disclosed only (a) as required by administrative, judicial or governmental order or decree, (b) to prospective purchasers and lenders (and their respective accounting, financial and legal advisors) subject to the aforesaid requirements of confidentiality, or (c) as may be required by Legal Requirements. Any such status statement or financial statement delivered by Tenant pursuant to this Section 9.15 (or any financial statement otherwise delivered by Tenant in connection with this Lease or any future amendment hereto) may be relied upon by any Interested Party.

9.16 Self-Help

If Tenant shall at any time default in the performance of any obligation under this Lease (although notice and cure shall not be required either in an emergency or where Tenant has alleged in written notice to Landlord that an unsafe or dangerous condition exists), Landlord shall have the right, but shall not be obligated, to enter upon the Premises and to perform such obligation notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default. In performing such obligation, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the rate of two and one-half percentage points over the then prevailing prime rate in Boston as set by Bank of America, N.A., or its successor (but in no event greater than the maximum rate permitted by applicable law) and all costs and expenses

in connection with the performance of any such act by Landlord, shall be deemed to be Additional Rent under this Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

9.17 Holding Over

Any holding over by Tenant after the expiration or earlier termination of the term of this Lease shall be treated as a tenancy at sufferance and shall be on the terms and conditions as set forth in this Lease, as far as applicable except that Tenant shall pay as a use and occupancy charge an amount equal to the Holdover Percentage (as hereinafter defined) of the greater of (x) the Annual Fixed Rent and Additional Rent calculated (on a daily basis) at the highest rate payable under the terms of this Lease, or (y) the fair market rental value of the Premises, in each case for the period measured from the day on which Tenant's hold-over commences and terminating on the day on which Tenant vacates the Premises. In addition, Tenant shall save Landlord, its agents and employees harmless and will exonerate, defend and indemnify Landlord, its agents and employees from and against any and all damages which Landlord may suffer on account of Tenant's hold-over in the Premises after the expiration or prior termination of the term of this Lease; provided, however, that Tenant shall not be liable for consequential damages suffered or incurred by Landlord as a result of such hold over for the first thirty (30) days of such hold over. Nothing in the foregoing nor any other term or provision of this Lease shall be deemed to permit Tenant to retain possession of the Premises or hold over in the Premises after the expiration or earlier termination of the Lease Term. All property which remains in the Building or the Premises after the expiration or termination of this Lease shall be conclusively deemed to be abandoned and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any part thereof shall be sold, then Landlord may receive the proceeds of such sale and apply the same, at its option against the expenses of the sale, the cost of moving and storage, any arrears of rent or other charges payable hereunder by Tenant to Landlord and any damages to which Landlord may be entitled under this Lease and at law and in equity. The "Holdover Percentage" shall be 150% for the first sixty (60) days of such holdover, and 200% for any period of holdover after the first sixty (60) days.

9.18 Extension Option

(A) On the conditions (which conditions Landlord may waive by written notice to Tenant) that both at the time of exercise of the option to extend and as of the commencement of the Extended Term (i) there exists no Event of Default, (ii) this Lease is still in full force and effect, and (iii) Tenant has neither assigned this Lease nor sublet more than thirty-three percent (33%) the Premises (except for an assignment or subletting permitted without Landlord's consent under Section 5.7.4 hereof), Tenant shall have the right to extend the Term hereof upon all the same terms, conditions, covenants and agreements herein contained (except for the Annual Fixed Rent which shall be adjusted during the option period as hereinbelow set forth) for one (1) period of five (5) years as hereinafter set forth. The option period is sometimes herein referred to as the "Extended Term." Notwithstanding any implication to the contrary, Landlord has no obligation to make any additional payment to Tenant in respect of any construction allowance or the like or to perform any work to the Premises as a result of the exercise by Tenant of any such option.

(B) If Tenant desires to exercise an option to extend the Term, then Tenant shall give notice ("Exercise Notice") to Landlord, not earlier than fifteen (15) months nor later than twelve (12) months prior to the expiration of the Term of this Lease exercising such option to extend. If

Tenant shall not have timely given Tenant's Exercise Notice on or before the date twelve (12) months prior to the expiration of the Term of this Lease, then such option shall be void and of no further force and effect. Promptly after Landlord's receipt of the Exercise Notice, Landlord shall provide Landlord's quotation to Tenant of a proposed Annual Fixed Rent for the Extended Term ("Landlord's Rent Quotation"). If at the expiration of thirty (30) days after the date when Landlord provides such quotation to Tenant (the "Negotiation Period"), Landlord and Tenant have not reached agreement on a determination of an Annual Fixed Rent for such Extended Term and executed a written instrument extending the Term of this Lease pursuant to such agreement, then Tenant shall have the right, for thirty (30) days following the expiration of the Negotiation Period, to make a request to Landlord for a broker determination (the "Broker Determination") of the Prevailing Market Rent (as defined in Exhibit K) for such Extended Term, which Broker Determination shall be made in the manner set forth in Exhibit K. If Tenant timely shall have requested the Broker Determination, then the Annual Fixed Rent for such Extended Term shall be the Prevailing Market Rent as determined by the Broker Determination. If Tenant does not timely request the Broker Determination, then the Annual Fixed Rent during the Extended Term shall be equal to Landlord's Rent Quotation.

(C) Upon the giving of the Exercise Notice by Tenant to Landlord exercising Tenant's option to extend the Lease Term in accordance with the provisions of Section 3.2 (B) above, then this Lease and the Lease Term hereof shall automatically be deemed extended, for the Extended Term, without the necessity for the execution of any additional documents, except that Landlord and Tenant agree to enter into an instrument in writing setting forth the Annual Fixed Rent for the Extended Term as determined in the relevant manner set forth in this Section 3.2; and in such event all references herein to the Lease Term or the Term of this Lease shall be construed as referring to the Lease Term, as so extended, unless the context clearly otherwise requires, and except that there shall be no further option to extend the Lease Term.

9.19 Security Deposit

Concurrently with the execution of this Lease, Tenant shall pay to Landlord a security deposit in the amount of One Million Four Hundred Fifty-Two Thousand Five Hundred Nineteen and 00/100 Dollars ($1,452,519.00) and Landlord shall hold the same, throughout the Term of this Lease (including the Extended Term, if applicable), unless sooner returned to Tenant as provided in this Section 9.19, as security for the performance by Tenant of all obligations on the part of Tenant to be performed under this Lease. Such deposit shall be in the form of an irrevocable, unconditional, negotiable letter of credit (the "Letter of Credit"). The Letter of Credit shall (i) be issued by and drawn on a bank reasonably approved by Landlord and at a minimum having a long term issuer credit rating from Standard and Poor's Professional Rating Service of A or a comparable rating from Moody's Professional Rating Service, (ii) be substantially in the form attached hereto as Exhibit F, (iii) permit one or more draws thereunder to be made accompanied only by certification by Landlord or Landlord's managing agent that pursuant to the terms of this Lease, Landlord is entitled to draw upon such Letter of Credit, (iv) permit transfers at any time without charge, (v) permit presentment in Boston, Massachusetts and (vi) provide that any notices to Landlord be sent to the notice address provided for Landlord in this Lease. If the credit rating for the issuer of such Letter of Credit falls below the standard set forth in (i) above or if the financial condition of such issuer changes in any other material adverse way, Landlord shall have the right to require that Tenant provide a substitute letter of credit that complies in all respects with the requirements of this Section, and Tenant's failure to provide the same within thirty (30) days following Landlord's written demand therefor shall entitle Landlord to immediately draw upon the Letter of Credit. Any such Letter of Credit shall be for a term of two

(2) years (or for one (1) year if the issuer thereof regularly and customarily only issues letters of credit for a maximum term of one (1) year) and shall in either case provide for automatic renewals through the date which is ninety (90) days subsequent to the scheduled expiration of this Lease (as the same may be extended) or if the issuer will not grant automatic renewals, the Letter of Credit shall be renewed by Tenant each year and each such renewal shall be delivered to and received by Landlord not later than sixty (60) days before the expiration of the then current Letter of Credit (herein called a "Renewal Presentation Date"). In the event of a failure to so deliver any such renewal Letter of Credit on or before the applicable Renewal Presentation Date (including, without limitation, in the event of a notice of non-renewal from the issuer), Landlord shall be entitled to present the then existing Letter of Credit for payment and to receive the proceeds thereof, which proceeds shall be held as Tenant's security deposit, subject to the terms of this Section 9.19. Any failure or refusal to honor the Letter of Credit shall be at Tenant's sole risk and shall not relieve Tenant of its obligation hereunder with regard to the security deposit. Upon the occurrence of any default of Tenant, Landlord shall have the right from time to time without prejudice to any other remedy Landlord may have on account thereof, to draw on all or any portion of such deposit held as a Letter of Credit and to apply the proceeds of such Letter of Credit or any cash held as such deposit, or any part thereof, to Landlord's damages arising from such default on the part of Tenant under the terms of this Lease. If Landlord so applies all or any portion of such deposit, Tenant shall within seven (7) days after notice from Landlord deposit cash with Landlord in an amount sufficient to restore such deposit to the full amount stated in this Section 9.19. While Landlord holds any cash deposit Landlord shall have no obligation to pay interest on the same and shall have the right to commingle the same with Landlord's other funds. Neither the holder of a mortgage nor the lessor in a ground lease on property which includes the Premises shall ever be responsible to Tenant for the return or application of any such deposit, whether or not it succeeds to the position of Landlord hereunder, unless such deposit shall have been received in hand by such holder or ground lessor.

Tenant not then being in default and having performed all of its obligations under this Lease, including the payment of all outstanding Annual Fixed Rent and Additional, Landlord shall return the deposit, or so much thereof as shall not have theretofore been applied in accordance with the terms of this Section 9.19, to Tenant on the expiration or earlier termination of the term of this Lease (as the same may have been extended) and surrender possession of the Premises by Tenant to Landlord in the condition required in the Lease at such time.

9.20 Late Payment

If Landlord shall not have received any payment or installment of Annual Fixed Rent or Additional Rent (the "Outstanding Amount") on or before the date on which the same first becomes payable under this Lease (the "Due Date"), the amount of such payment or installment shall incur a late charge equal to the sum of: (a) five percent (5%) of the Outstanding Amount for administration and bookkeeping costs associated with the late payment and (b) interest on the Outstanding Amount from the Due Date through and including the date such payment or installment is received by Landlord, at a rate equal to the lesser of (i) the rate announced by Bank of America, N.A. (or its successor) from time to time as its prime or base rate (or if such rate is no longer available, a comparable rate reasonably selected by Landlord), plus two percent (2%), or (ii) the maximum applicable legal rate, if any. Such interest shall be deemed Additional Rent and shall be paid by Tenant to Landlord upon demand. Landlord agrees to waive the late charges due hereunder for the first late payment by Tenant under this Lease per calendar year, provided that Landlord receives such payment from Tenant within five (5) business days of the Due Date (provided further that if such payment is not received within the aforesaid five (5) business day

period, interest on the Outstanding Amount will accrue as of the original Due Date). Any other late payments during that same calendar year shall be subject to the imposition of the late charge immediately following the Due Date as set forth above.

9.21 Tenant's Payments

Each and every payment and expenditure, other than Annual Fixed Rent, shall be deemed to be Additional Rent or additional rent hereunder, whether or not the provisions requiring payment of such amounts specifically so state, and shall be payable, unless otherwise provided in this Lease, within ten (10) days after written demand by Landlord, and in the case of the non-payment of any such amount, Landlord shall have, in addition to all of its other rights and remedies, all the rights and remedies available to Landlord hereunder or by law in the case of non-payment of Annual Fixed Rent. Unless expressly otherwise provided in this Lease, the performance and observance by Tenant of all the terms, covenants and conditions of this Lease to be performed and observed by Tenant shall be at Tenant's sole cost and expense. If Tenant has not objected to any statement of Additional Rent which is rendered by Landlord to Tenant within ninety (90) days after Landlord has rendered the same to Tenant, then the same shall be deemed to be a final account between Landlord and Tenant not subject to any further dispute. In the event that Tenant shall seek Landlord's consent or approval under this Lease, then Tenant shall reimburse Landlord, upon demand, as Additional Rent, for all reasonable costs and expenses, including legal and architectural costs and expenses, incurred by Landlord in processing such request, whether or not such consent or approval shall be given. Notwithstanding anything in this Lease to the contrary, if Landlord or any affiliate of Landlord has elected to qualify as a real estate investment trust ("REIT"), any service required or permitted to be performed by Landlord pursuant to this Lease, the charge or cost of which may be treated as impermissible tenant service income under the laws governing a REIT, may be performed by a taxable REIT subsidiary that is affiliated with either Landlord or Landlord's property manager, an independent contractor of Landlord or Landlord's property manager (the "Service Provider"). If Tenant is subject to a charge under this Lease for any such service, then, at Landlord's direction, Tenant will pay such charge either to Landlord for further payment to the Service Provider or directly to the Service Provider, and, in either case, (i) Landlord will credit such payment against Additional Rent due from Tenant under this Lease for such service, and (ii) such payment to the Service Provider will not relieve Landlord from any obligation under the Lease concerning the provisions of such service.

9.22 Waiver of Trial By Jury

To induce Landlord to enter into this Lease, Tenant hereby waives any right to trial by jury in any action, proceeding or counterclaim brought by either Landlord or Tenant on any matters whatsoever arising out of or any way connected with this Lease, the relationship of the Landlord and the Tenant, the Tenant's use or occupancy of the Premises and/or any claim of injury or damage, including but not limited to, any summary process eviction action.

9.23 Electronic Signatures

The parties acknowledge and agree that this Lease may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

9.24 Governing Law

This Lease shall be governed exclusively by the provisions hereof and by the law of the Commonwealth of Massachusetts, as the same may from time to time exist.

9.25 Light and Air

Tenant agrees that no diminution of light, air or view by any structure (inside or outside the Building) which may hereafter be erected or modified (whether or not by Landlord) shall entitle Tenant to any reduction of rent hereunder, result in any liability of Landlord to Tenant, or in any other way affect this Lease.

9.26 Name of Building

Tenant shall not use the name of the Building or Office Park for any purpose other than as the address of the business conducted by Tenant in the Premises without the written consent of Landlord. Landlord reserves the right to change the name of the Building and/or the Office Park at any time in its sole discretion by written notice to Tenant and Landlord shall not be liable to Tenant for any loss, cost or expense on account of any such change of name.

9.27 Force Majeure

In the event Landlord or Tenant is in any way delayed, impeded, interrupted, stopped or prevented from performing any of its obligations under this Lease (except, with respect to Tenant, its obligations to give notice with respect to any option explicitly set forth in this Lease, to surrender the Premises as and when required by this Lease and to maintain insurance as required by this Lease) due to fire, casualty, act of God, epidemic, pandemic, breach of cyber security, strike, lockout, labor dispute or disruption, disruption in the supply chain or other inability by the exercise of reasonable diligence to obtain materials or parts, act of war, terrorism, breakdown, accident, civil commotion, laws, regulations, restrictions, orders, quarantines, construction moratoria or other action or inaction by any local, state or federal governmental or health authority (including, without limitation, any shelter-in-place orders, stay at home orders, occupancy restrictions or limitations or any restriction on travel related to the forgoing that preclude or restrict Landlord or Tenant or their agents, contractors or employees from accessing or using the Premises), or any other cause or event to the extent beyond such party's reasonable control regardless of whether such cause or event is (i) related to the specifically enumerated causes or events in this paragraph or (ii) foreseeable or unforeseeable (each, an event of "Force Majeure"), such cause or event of Force Majeure shall excuse the performance of the obligation of such party under this Lease for a period equal to such delay, impediment, interruption, stoppage or prevention, including the time necessary to repair any damage caused by the Force Majeure event, if any. Notwithstanding anything to the contrary contained in this Lease and for avoidance of doubt, in no event will (i) any party be entitled to claim Force Majeure due to any act or inaction within its reasonable control, (ii) financial hardship constitute an event of Force Majeure nor (iii) any event of Force Majeure in any way affect, excuse, suspend, reduce or abate the obligation of Tenant to timely pay all rent and other charges payable by Tenant pursuant to the terms of this Lease, except as expressly provided in Article VI or entitle either party to terminate this Lease, except as explicitly provided in Article VI.

9.28 Prevailing Party

In the event of litigation or other legal proceeding between Landlord and Tenant relating to the provisions of this Lease or Tenant's occupancy of the Premises or in connection with any bankruptcy case, the losing party shall, upon demand, reimburse the prevailing party for its reasonable costs of prosecuting and/or defending such proceeding (including, without limitation, reasonable attorneys' fees).

[SIGNATURES ON FOLLOWING PAGE]

EXECUTED in two or more counterparts each of which shall be deemed to be an original.

LANDLORD:

BXP Waltham Woods LLC,
a Delaware limited liability company

By: Boston Properties Limited Partnership, a Delaware limited partnership, its non-member manager

By: Boston Properties, Inc.,
a Delaware corporation,
its general partner

By: /s/ Patrick Mulvihill
Name: Patrick Mulvihill
Title: SVP

TENANT:

Lyra Therapeutics, Inc., a Delaware corporation

By: /s/ Maria Palasis
Name: Maria Palasis
Title: CEO
Hereunto duly authorized

EXHIBIT A

DESCRIPTION OF OFFICE PARK

LOT 4 (RECORDED LAND):

Lot 4 as shown on a plan of land entitled, "Plan of Land in Waltham, Massachusetts, Prepared For 880 Winter Street, L.L.C., 890 Winter Street, L.L.C.," prepared by Martinage Engineering Associates, Inc., dated May 19, 1998, recorded with the Middlesex South District County Registry of Deeds as Plan No. 734 of 1998 in Plan Book 28813, Page 295.

LOT 3 (REGISTERED LAND):

That certain parcel of land situated in Waltham, in the County of Middlesex and Commonwealth of Massachusetts, described as follows:

Northeasterly, one hundred eighty-four and 54/100 feet, and

Northwesterly, four hundred ninety-three and 63/100 feet by land now or formerly of Albert E. Kennedy, et al;

Northeasterly, by land now or formerly of John T. Kennedy, et al, two hundred forty-four and 18/100 feet;

Southeasterly, six hundred thirty-three feet;

Southeasterly, again, three hundred fifty-six and 34/100 feet; and

Southerly, one hundred thirty-nine and 22/100 feet, all by Lot 4 as shown on the plan hereinafter mentioned;

Southwesterly, by Lot 2 on said Plan, one hundred seventy-five and 42/100 feet; and

Northwesterly, by land now or formerly of Baird-Atomic, Inc., six hundred sixty-five and 31/100 feet.

Said parcel is shown as Lot 3 on said Land Court Plan No. 30618C.

All of said boundaries are determined by the Court to be located as shown on a subdivision plan, as approved by the Court, filed in the Land Registration Office, a copy of which is filed in the Registry of Deeds for the South Registry District of Middlesex County in Registration Book 696, Page 155, with Certificate of Title No. 103305.

LOT N (RECORDED LAND):

Lot N as shown on a plan of land entitled, "Plan of Land in Waltham, Massachusetts, Prepared For 880 Winter Street, L.L.C., 890 Winter Street, L.L.C.," prepared by Martinage Engineering Associates, Inc., dated May 19, 1998, recorded with the Middlesex South District County Registry of Deeds as Plan No. 734 of 1998 in Plan Book 28813, Page 295.

S:Legal\Waltham\880-890 Winter Street\Leases\Lyra (execution)

APPURTENANT EASEMENTS:

TOGETHER WITH the Easement from Polaroid Corporation to Eric B. Sheffels and Allan H. Goroll, Trustees of Winter Street Realty Trust (u/d/t dated June 26, 1997), dated July 14, 1997, recorded and filed with the Middlesex South District County Registry of Deeds and Registry District of the Land Court in Book 27478, Page 136 and Document No. 1036276; see also referenced plan recorded with said Deeds as Plan No. 723 of 1997; as affected by subservient rights and easements granted to New England Telephone and Telegraph Company d/b/a Bell Atlantic, dated August 27, 1998, recorded and filed with said Deeds in Book 29049, Page 468 and Document No. 1078157; as affected by the First Amendment to Easement by and among Polaroid Corporation, Eric B. Sheffels and Harry L. Greene, II, Trustees of Winter Street Realty Trust (u/d/t dated June 26, 1997), MMS Winter Street, LLC, 880 Winter Street, LLC and 890 Winter Street, LLC, dated January 20, 2000, recorded and filed with said Deeds in Book 31241, Page 253 and Document No. 1134250; as affected by the Agreement RE Relocation of Easement by and among Waltham Winter Street 880 Limited Partnership, Waltham Winter Street 890 Limited Partnership and PD Winter Street, LLC, dated May 22, 2018, recorded and filed with said Deeds in Book 71196, Page 1 and Document No. 1791476.

TOGETHER WITH the easements set forth in the Declaration of Covenants, Restrictions, Development Standards and Easements by and among Eric B. Sheffels and Hary L. Greene, II, Trustees of Winter Street Realty Trust, 880 Winter Street, LLC, 890 Winter Street, LLC and MMS Winter Street, LLC, dated February 10, 1998, recorded and filed with the Middlesex South District County Registry of Deeds and Registry District of the Land Court in Book 28203, Page 149 and Document No. 1055946; as affected by the Approval Under the Declaration of Covenants, Restrictions, Development Standards and Easements, by and among Eric B. Sheffels and Harry L. Greene II, Trustees of Winter Street Realty Trust , 880 Winter Street, LLC, 890 Winter Street, LLC and MMS Winter Street, LLC, dated November 12, 1998, recorded and filed with said Deeds in Book 31241, Page 261 and Document No. 1134251; as affected by the Approval Under Declaration of Covenants, Restrictions, Development Standards and Easements by and among 880 Winter Street, LLC, 890 Winter Street, LLC and MMS Winter Street, LLC, dated January 26, 2000, recorded and filed with said Deeds in Book 31241, Page 273 and Document No. 1134252; as affected by the First Amendment to Declaration of Covenants, Restrictions, Development Standards and Easements by and among Eric B. Sheffels and Harry L. Greene II, Trustees of Winter Street Realty Trust, 880 Winter Street, LLC, 890 Winter Street, LLC and MMS Winter Street, LLC, dated January 26, 2000, recorded and filed with said Deeds in Book 31241, Page 281 and Document No. 1134253; as affected by the Approval Under Declaration of Covenants, Restrictions, Development Standards and Easements by and among 880 Winter Street, LLC, 890 Winter Street, LLC and MMS Winter Street, LLC and MMS Lot 2, LLC, dated April 25, 2000, recorded and filed with said Deeds in Book 31344, Page 123 and Document No. 1137677; as affected by the Estoppel Certificate by and among MMS Winter Street, LLC, MMS Lot 2, LLC, 880 Winter Street, LLC, 890 Winter Street, LLC, Eric B. Sheffels and Harry L. Greene II, Trustees of Winter Street Realty Trust, and Waltham Woods Corporate Center Owners' Association, dated April 26, 2000, recorded and filed with said Deeds in Book 31344, Page 130 and Document No. 1137678; as affected by the Second Amendment to Declaration of Covenants, Restrictions, Development Standards and Easements by and among Mark M. Weld and Corinne Broderick, Trustees of Winter Street Realty Trust, Waltham Winter Street 880 Limited Partnership, Waltham Winter Street 890 Limited Partnership, MMS Winter Street, LLC and MMS Lot 2, LLC, dated October 3, 2002, recorded and filed with said Deeds in Book 36688, Page 433 and Document No. 1232883; see also referenced plan recorded with said Deeds as Plan No. 1101 of 2002; as affected by the Estoppel Certificate and Certificate Regarding Unpaid Common Charges of the Waltham Wood Corporate Center Owners' Association, dated June 10, 2003, recorded only with said Deeds in Book 39523, Page 435; as affected by the Third Amendment to Declaration of Covenants, Restrictions, Development Standards and Easements by and among Mark M. Weld and Corinne Broderick, Trustees of Winter Street Realty Trust, Waltham Winter Street 880 Limited Partnership, Waltham Winter Street 890 Limited Partnership, MMS Winter Street, LLC and MMS Lot 2, LLC, dated June 26, 2008, recorded and filed with said Deeds in Book 51629, Page 580 and Document No. 1481280; see also referenced plan recorded with said Deeds as Plan No. 763 of 2008.

EXHIBIT B-1

WORK AGREEMENT

1.1 Base Building Work. Landlord, using Building standard methods, new or like-new materials and finishes, and at Landlord's sole cost and expense, shall perform the work more particularly set forth in Exhibit B2 attached hereto (the "Base Building Work"). As used herein, "**Landlord's Work**" shall mean the Base Building Work and the Tenant Improvement Work (as hereinafter defined).

1.2 Plans and Construction Process.

(1) Landlord has entered into a contract with Perkins + Will (the "Architect") at Landlord's sole cost and expense to prepare and submit plans for the construction of the Tenant Improvement Work.

(2) Landlord has submitted to Tenant, and Tenant has approved (i) a test-fit plan of Tenant's proposed design of the Premises (the "**Preliminary Test Fit**"), a copy of which is attached hereto as Exhibit B-3, (ii) an equipment matrix (the "**Equipment Matrix**"), a copy of which is attached hereto as Exhibit B-4, and (iii) a reflected ceiling plan (the "**RCP Plan**"), a copy of which is attached hereto as Exhibit B-5. Landlord shall have no responsibility for (and the Landlord's Work shall exclude) the installation and connection of Tenant's computer, telephone, other communication and/or audio visual equipment, systems, wiring, Tenant's security system, or signage. For the avoidance of doubt, Landlord's Work shall not include installation of Tenant's furniture, fixtures, equipment and other personal property or any moving expenses or commissioning of lab equipment.

(3) In order for the Architect to prepare the Design Plans and the Final Plans (each as hereinafter defined) and to perform the Tenant Improvement Work, Landlord must receive from Tenant and its consultants in a timely fashion, programming information, design input and the selection of finishes and materials from Landlord's building standard selections. Tenant and Tenant's design consultants shall meet regularly with Landlord, Architect and other consultants during the design process for the Tenant Improvement Work. Landlord will submit to Tenant requests for information and materials selections from time to time during the design process based on Landlord's building standard material selections. If Tenant fails to respond to Landlord's requests for information within five (5) days after delivery by Landlord of such request, such failure shall constitute a Tenant Delay.

(4) Landlord caused Architect to prepare a set of design drawings (the "**Design Plans**") for the leasehold improvements in the Premises to prepare the Premises for Tenant's occupancy (the "**Tenant Improvement Work**") consistent with the layout and scope of the Preliminary Test Fit and submitted to Tenant for approval on May 13, 2022, and

Tenant approved such Design Plans on May 23, 2022 (said Design Plans approved by Tenant, the "**Approved Design Plans**"). Notwithstanding anything herein to the contrary, Tenant expressly acknowledges and agrees that any changes requested by Tenant at any time to any submission of the Design Plans other than changes requested in good faith to ensure the Design Plans are consistent with the Preliminary Test Fit or to identify manifest errors which results in the Design Plans not being approved by the Design Plan Response Date shall constitute a Tenant Delay.

(5) Landlord shall cause Architect to prepare final working drawings (the "**Final Plans**") consistent with the Approved Design Plans and submitted to Tenant for approval no later than June 3, 2022, subject to postponement of such time period resulting from delays caused by Force Majeure or any Tenant Delay, which approval shall not be unreasonably withheld and if Tenant shall request any additions or changes be made to the Final Plans from the layout and scope of the Approved Design Plans and if Landlord reasonably determines such additions or changes may delay the estimated substantial completion of Landlord's Work beyond the Estimated Commencement Date, it shall be deemed a Tenant Delay (said Final Plans, upon Tenant's approval, the "**Approved Plans**"). Within three (3) business days after Landlord shall have submitted (which submittal may be made electronically) such Final Plans to Tenant but in no event later than June 8, 2022 (time being of the essence and subject to extension due to any Landlord Delay (as such term is defined below)) (the "**Plan Response Period**"), Tenant shall notify Landlord in writing (x) that Tenant approves such Final Plans or (y) of any changes Tenant requires to such Final Plans (specifying in detail all changes), subject to Landlord's approval of any such changes, which shall not be unreasonably withheld with respect to any non-structural changes that are consistent with the Approved Design Plans, do not increase the scope of work to be performed by Landlord and shown on the Approved Design Plans, provided, however, Landlord's determination of matters relating to aesthetic issues relating to alterations or changes visible outside the Premises shall be in Landlord's sole discretion. Tenant shall, upon at least three (3) business days advance request by Landlord, meet with Landlord and Landlord's architect to prepare the Final Plans, the failure of which shall be deemed a Tenant Delay. Landlord shall submit a revised set of the Final Plans to Tenant after Tenant shall have notified Landlord of any changes to the Final Plans required by Tenant for its approval, and Tenant shall notify Landlord that Tenant approves such changes (or shall specify any further changes Tenant requires solely to implement the changes previously requested by Tenant) within three (3) business days thereafter. If Tenant shall fail to give Landlord notice of Tenant's approval of the Final Plans or any changes required thereto within the time periods set forth above, then Tenant shall be deemed to have approved the same. Notwithstanding anything herein to the contrary, Tenant expressly acknowledges and agrees that any changes requested by Tenant at any time to any submission of the Final Plans other than changes requested in good faith to ensure the Final Plans are consistent with the Approved Design Plans or to identify manifest errors which results in the Final Plans not being approved by the expiration of the Plan Response Period shall constitute a Tenant Delay.

(6) Attached hereto as Exhibit B-6 is a list of those items identified by Landlord contained in the proposed plans which Landlord reasonably believes will constitute long lead items (the "**Long Lead Item List**"). Landlord will give to Tenant Landlord's best, good faith estimate of the period(s) of any delay which would be caused by a long-lead item. On or before June 3, 2022 (the "**Long Lead Item Release Date**"), Tenant shall have the right to either (a) request revisions to the construction plans for the Landlord's Work to eliminate any such long-lead item or (b) authorize Landlord to construct the Tenant Improvement Work in accordance with the approved Final Plans including any such long-lead items (any such approved long-lead items being hereinafter called "**Tenant Approved Long Lead Items**"). Landlord shall use commercially reasonable efforts to minimize any delays attributable to Tenant Approved Long Lead Items. Without limiting the generality of the foregoing, Tenant acknowledges that (i) certain Tenant Approved Long Lead Items may still delay completion of the Tenant Improvement Work and thus result in a Tenant Delay even if Tenant does authorize them on or before the Long Lead Item Release Date, and (ii) any long lead items which are identified in Tenant's Plans after the Long Lead Item Release Date may delay completion of the Landlord's Work and thus result in a Tenant Delay.

(7) Within 30 business days after Landlord's receipt of the Final Plans, Landlord shall furnish to Tenant a written statement, or estimate thereof, as applicable, of all costs of the Tenant Improvement Work (the "Total Cost Notice"). Without limiting the generality of the foregoing, the Total Cost Notice shall include the specific components of the Cost of Tenant Improvement Work described in Section 1.4 below.

(8) Within 5 business days after Landlord's delivery of the Total Cost Notice, but in no event later than July 22, 2022, subject to extension due to any Landlord Delay (such date, the "Authorization to Proceed Date"), Tenant shall give Landlord written authorization to proceed with the Tenant Improvement Work in accordance with the Approved Plans (the "Authorization to Proceed"). Upon Tenant's delivery of the Authorization to Proceed, the amount set forth in the Total Cost Notice shall be deemed to constitute the approved budget (the "Budget") for the Tenant Improvement Work. In addition, Tenant shall, on or before the Authorization to Proceed Date, execute and deliver to Landlord any affidavits and documentation required in order to obtain all permits and approvals necessary for Landlord to commence and complete the Tenant Improvement Work on a timely basis (the "Permit Documentation").

(9) Intentionally Omitted.

(10) Notwithstanding anything to the contrary herein, Tenant, and not Landlord, shall be responsible for all elements of the design of any and all plans prepared by the Architect related to or for the completion of the Tenant Improvement Work (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, sufficiency of the Premises for Tenant's particular use or the configuration of the Premises), and Landlord's involvement in the design and approval process does not create any liability on behalf of Landlord with respect to, and shall in no event relieve

Tenant of the responsibility for, such design. In the event that any such plans contain errors or omissions by Architect or the work described therein is not designed in compliance with applicable laws, Landlord, upon request of Tenant (which shall be a right but not an obligation of Tenant), and at the expense of Tenant, shall enforce the obligations of the Architect under the Architect's Contract for the benefit of Tenant (or if not prohibited by the Architect's Contract, Landlord shall, upon Tenant's request, assign the right to enforce the Architect's Contract directly to Tenant so that Tenant may undertake enforcement of the same oh its own behalf). Tenant shall pay any costs and expenses incurred by Landlord in enforcing the Architect's Contract at the request of Tenant within ten (10) days of demand as a condition to Landlord's obligation to so enforce the Architect's Contract. In the event Landlord elects to enforce the Architect's Contract and the same is not at the request of Tenant, Landlord shall do the same at Landlord's expense. For the avoidance of doubt, Landlord's approval changes to the Design Plans or Final Plans, as contemplated by Sections 1.2(4) and 1.2(5) hereof, shall not create any responsibility or liability on the part of Landlord for their completeness, sufficiency, design or compliance with Legal Requirements, and shall not relieve Tenant of any of Tenant's responsibility or liability hereunder. For the avoidance of doubt, nothing set forth in this subsection (10) is intended to be and shall not be deemed to be a waiver of any claims Landlord or Tenant may have against Architect; provided however in no instance shall Tenant have the right to force Landlord to make a claim against Architect.

1.3 Contractor; Subcontractors.

(1) Landlord shall enter into a contract for the Tenant Improvement Work (the "Contract") with J. Calnan & Associates, Inc. (the "Contractor"), which Contract may be on the basis of a guaranteed maximum price ("GMP").

(2) Landlord will cause the Contractor to use reasonable efforts to obtain at least three (3) bids for any subcontract costing in excess of Two Hundred Thousand and 00/100 Dollars ($200,000.00); however, given the current market, Tenant acknowledges that it may not be possible to obtain more than one or two bidders with respect to portions of the Tenant Improvement Work. The selection of subcontractors for such portions of the Tenant Improvement Work shall be done on an "open book" basis as between Landlord and Contractor, and Tenant shall have the right to review all bid materials received by Contractor prior to the selection of a subcontractor. Landlord and Contractor shall reasonably cooperate with Tenant in the selection of such subcontractors, provided that in the event of any disagreement between the parties, Landlord shall have the right, in its sole but reasonable discretion, and acting in good faith, to make all final determinations regarding choices of subcontractors.

1.4 Costs of Tenant Improvement Work. The "Cost of Tenant Improvement Work" shall be equal to all Hard Costs and Soft Costs incurred by Landlord in the performance of the Tenant Improvement Work. Without limiting the generality of the foregoing, and notwithstanding anything in this Work Agreement to the contrary, the Cost of Tenant

Improvement Work shall include any and all additional or increased costs to perform the Tenant Improvement Work as a result of any errors, defects, discrepancies or inconsistencies in the Approved Plans. As used herein, "Hard Costs" shall mean all costs of performing the Tenant Improvement Work other than the Soft Costs, and "Soft Costs" shall mean the cost of installing wiring and cabling throughout the Premises. Hard Costs of the Tenant Improvement Work shall include, but not be limited to, the costs and expenses for performing, using, and/or obtaining, any or all of the following actions, items, and/or services related to the Tenant Improvement Work:

(1) Any and all building permits and other governmental permits or approvals, and any application fees in connection therewith, necessary for the performance of Tenant Improvement Work;

(2) Final connections to Building common utility system, including, as applicable:
- a) Electrical, including shutdown, re-energizing, temporary power and lighting (if required);
- b) Fire protection system connections, including shutdown and refilling, fire details;
- c) Fire alarm system connections, including final wire connections by Landlord, Landlord testing of Premises components prior to final connections, programming, troubleshooting of Tenant system;
- d) Domestic water connection if shutdown of common system is required;
- e) Utility submeters as required by code and/or Landlord.

(3) Temporary utilities and other Landlord services provided to the Premises during Landlord's performance of the Tenant Improvement Work, including:
- a) Connection to Landlord temporary power panel;
- b) Daily power consumption;
- c) Dumpsters;
- d) Loading docks;
- e) Hoisting;
- f) Portable toilets;
- g) Elevators;
- h) Roof/exterior wall penetrations, floor slab cutting and coring;
- i) Security and property management services for non-standard work hours.

(4) Contractor's insurance; and

(5) Contingency.

Notwithstanding anything herein to the contrary, the Tenant Improvement Work shall not include the purchase and/or installation of furniture, fixtures and equipment ("FF&E"), and in no event shall Tenant be permitted to allocate any portion of the Tenant

Improvement Allowance toward any such FF&E.

1.5 Tenant Improvement Allowance. Landlord shall provide to Tenant a special allowance of up to Five Million, Nine Hundred Fifteen Thousand, Eight Hundred Ninety and 00/100 Dollars ($5,915,890.00) (i.e., the product of (i) Two Hundred and 00/100 Dollars ($205.00) and (ii) the Rentable Floor Area of the Premises) (the "Tenant Improvement Allowance"), which shall be used and applied by Landlord solely on account of the cost of the Tenant Improvement Work. In no event shall Landlord's obligations to pay or reimburse Tenant for any of the costs of Tenant Improvement Work exceed the total Tenant Improvement Allowance. Notwithstanding the foregoing, Landlord shall be under no obligation to apply any portion of the Tenant Improvement Allowance for any purposes other than as provided in this Section 1.5. In addition, in the event that (i) Tenant is in default under the Lease or (ii) there are any liens which are not bonded to the reasonable satisfaction of Landlord against Tenant's interest in the Lease or against the Building or the Property arising out of any work performed by Tenant or any litigation in which Tenant is a party, then, from and after the date of such event ("Event"), Landlord shall have no further obligation to fund any portion of the Tenant Improvement Allowance and Tenant shall be obligated to pay, as Additional Rent, all costs of the Tenant Improvement Work in excess of that portion of the Tenant Improvement Allowance funded by Landlord through the date of the Event. Further, the Tenant Improvement Allowance shall only be applied towards the Cost of Tenant Improvement Work and in no event shall Landlord be required to make application of any portion of the Tenant Improvement Allowance towards Tenant's FF&E, personal property, or moving expenses or on account of any supervisory fees, overhead, management fees or other payments to Tenant, or any partner or affiliate of Tenant. In the event that the costs of the Tenant Improvement Work are less than the Tenant Improvement Allowance, Tenant shall not be entitled to any payment or credit nor shall there be any application of the same toward Annual Fixed Rent or Additional Rent owed by Tenant under the Lease.

1.6 Tenant's Contribution to Cost of Tenant Improvement Work. Tenant shall be responsible for the difference in cost between the actual Cost of Tenant Improvement Work and the Tenant Improvement Allowance (the "Cost Differential"). By way of example only, and not limitation, if the Cost of Tenant Improvement Work is $10,000,000.00, then Tenant would be responsible for $4,084,110.00 (i.e., the sum of $10,000,000 – $5,915,890).

Tenant shall reimburse Landlord for the Cost Differential as follows:

Tenant shall pay Tenant's Proportion (hereinafter defined) of the cost shown on each Tenant Requisition (hereinafter defined) within twenty (20) days of submission thereof by Landlord to Tenant until the entirety of Cost Differential has been paid for. "Tenant's Proportion" shall be a fraction, the numerator of which is the Cost Differential and the denominator of which is the Budget, from time to time. A "Tenant Requisition" shall mean AIA Documents G702 and G703, duly executed and certified by the Contractor (accompanied by, without limitation, invoices from Landlord's contractors, vendors,

service providers and consultants (collectively "Landlord's Contractors")) showing in reasonable detail the costs of the item in question or of the improvements installed to date in connection with the Tenant Improvement Work. Landlord shall submit such requisition(s) no more often than monthly.

1.7 Change Orders. Tenant shall have the right, in accordance herewith, to submit for Landlord's approval change proposals subsequent to Tenant's delivery of the Notice to Proceed (each, a "Change Proposal"). Any Change Proposal requesting a change to the Final Plans shall result in Landlord requesting design development level plans and specifications, identifying the requested change, which shall be completed by the Architect. Landlord agrees to respond to any such Change Proposal within such time as is reasonably necessary (taking into consideration the information contained in such Change Proposal) after the submission thereof by Tenant, advising Tenant of any anticipated increase in costs ("Change Order Costs") associated with such Change Proposal, which shall include the cost for the Architect to prepare plans, as well as an estimate of any delay which would likely result in the completion of the Landlord's Work if a Change Proposal is made pursuant thereto ("Landlord's Change Order Response"). Tenant shall have the right to then approve or withdraw such Change Proposal within two (2) business days after receipt of Landlord's Change Order Response. If Tenant fails to respond to Landlord's Change Order Response within such two (2) business day period, such Change Proposal shall be deemed withdrawn. If Tenant approves such Change Proposal, then such Change Proposal shall be deemed a "Change Order" hereunder and if the Change Order is made, then the Change Order Costs associated with the Change Order shall be deemed additions to the Budget and shall be paid in the same manner as set forth in Section 1.6 of this Work Agreement.

1.8 Tenant Response to Requests for Information and Approvals. Except to the extent that another time period is expressly herein set forth, Tenant shall respond to any request from Landlord, Landlord's Architect, Landlord's Contractor and/or Landlord's Construction Representative for approvals or information in connection with Landlord's Work, within three (3) business days of Tenant's receipt of such request.

1.9 Tenant Delay; Landlord Delay

(1) A "Tenant Delay" shall be defined as any of the following which result in an actual delay:

a) Tenant's failure timely to respond to any request from Landlord, Landlord's architect, Landlord's contractor and/or Landlord's Construction Representative, including, without limitation, Tenant's failure to approve the Final Plans on or before the expiration of the Plan Response Period, or to deliver the Authorization to Proceed to Landlord on or before the Authorization to Proceed Date or to timely provide Permit Documentation required to be submitted in connection with the application for a building

permit for the Landlord's Work within the timeframes set forth in this Work Agreement; or

b) Tenant's failure to meet with Landlord and Landlord's architect to prepare the Final Plans as set forth in Section 1.2(3) of this Work Agreement;

c) Tenant's failure to provide the necessary information and/or selection of finishes and materials by the dates set forth on Schedule 1 attached hereto for the applicable design development stage for the Final Plans;

d) Tenant's failure to pay the Tenant Excess Costs, if any, in accordance with Section 1.5 hereinbelow;

e) Any delay due to items of work for which there is a long lead time in obtaining the materials therefor or which are specially or specifically manufactured, produced or milled for the work in or to the Premises and require additional time for receipt or installation; or

f) Any delay due to changes, alterations or additions required or made by Tenant after the Authorization to Proceed Date including, without limitation, Change Orders; or

g) Any other delays caused by Tenant, Tenant's contractors, engineers, commissioning agents or anyone else engaged by Tenant in connection with the preparation of the Premises for Tenant's occupancy, including, without limitation, utility companies and other entities furnishing communications, data processing or other service, equipment, furniture or commissioning.

(2) Tenant Obligations with Respect to Tenant Delays.

a) Tenant covenants that no Tenant Delay shall delay commencement of the Term or the obligation to pay Annual Fixed Rent or Additional Rent, regardless of the reason for such Tenant Delay or whether or not it is within the control of Tenant or any such employee. Landlord's Work shall be deemed substantially completed as of the date when Landlord's Work would have been substantially completed but for any Tenant Delays, as determined by Landlord in the exercise of its good faith business judgment.

b) Tenant shall reimburse Landlord the amount, if any, by which the cost of Landlord's Work is directly or indirectly increased as the result of any Tenant Delay.

c) Any amounts due from Tenant to Landlord under this Section 1.9(2) shall be due and payable within thirty (30) days of billing therefor (except that amounts due in connection with Change Orders shall be paid as provided

in Section 1.8), and shall be considered to be Additional Rent. Nothing contained in this Section 1.9(2) shall limit or qualify or prejudice any other covenants, agreements, terms, provisions and conditions contained in the Lease.

(3) Landlord Delay.

a) A "Landlord Delay" shall be defined as Landlord's failure to timely meet its obligations under this Work Letter, including, without limitation, Landlord's failure to provide Tenant with the Final Plans on or before June 3, 2022, with such failure resulting in an actual delay.

b) In the event of any Landlord Delay, the time allotted to Tenant to undertake any action required of Tenant under this Work Letter shall be extended by an amount equal to the amount of such Landlord Delay before any penalties (including, but not limited to penalties due to a Tenant Delay) shall be imposed upon Tenant.

1.10 Substantial Completion of Landlord's Work.

(1) Landlord's Obligations. Landlord shall use reasonable speed and diligence to achieve substantial completion of the Landlord's Work (the "Substantial Completion Milestone") by May 1, 2023 (the "Anticipated Substantial Completion Date"). For purposes of this Work Agreement, the "Outside Completion Date" shall mean November 1, 2023. Without limiting any of Landlord's other rights or remedies, the Anticipated Substantial Completion Date and the Outside Completion Date shall be extended on a day-for-day basis for each day of Tenant Delay and each day of Force Majeure, and shall be further extended for such periods of time as Landlord is delayed in proceeding with or completing any of the Landlord's Work by reason of any act or failure to act of Tenant that interferes with Landlord's construction of the Premises. If Landlord fails to comply with its obligations under this Section 10.1(1), then Landlord shall have no liability to Tenant, and Tenant shall have no claim against Landlord or right to terminate this Lease, except as follows:

If Landlord shall have failed to achieve the Substantial Completion Milestone on or before the date which is sixty (60) days subsequent to the Anticipated Substantial Completion Date (as such date may be extended pursuant to the prior paragraph), the Annual Fixed Rent and Tenant's payments on account of Landlord's Operating Expenses and Real Estate Taxes, shall be abated by one (1) day for each day beyond the date which is sixty (60) days subsequent to the Substantial Completion Date (as so extended) that the Substantial Completion Milestone has not occurred; and if Landlord shall have failed to achieve the Substantial Completion Milestone on or before the date which is one hundred ninety (90) days subsequent to the Anticipated Substantial Completion Date (as

such date may be extended pursuant to the prior paragraph), the Annual Fixed Rent and Tenant's payments on account of Landlord's Operating Expenses and Real Estate Taxes shall be abated by two (2) days for each day beyond the date which is one hundred twenty (120) days subsequent to the Anticipated Substantial Completion Date (as so extended) that the Substantial Completion Milestone has not occurred; provided, however, that such rental abatement shall not continue beyond the Outside Completion Date regardless of whether Landlord's Work is substantially complete as of such date.

If Landlord fails to achieve the Substantial Completion Milestone by the Outside Completion Date, then Tenant shall have the right to terminate the Lease by giving notice to Landlord of Tenant's desire to do so before the earlier of (A) the date on which the Substantial Completion Milestone is achieved, and (B) the date that is thirty (30) days after the Outside Completion Date. Upon the giving of any such notice of termination, the Term of this Lease shall cease and come to an end without further liability or obligation on the part of either party unless, within thirty (30) days after receipt of such notice, Landlord achieves the Substantial Completion Milestone. Tenant's right of termination shall be Tenant's sole and exclusive remedy for Landlord's failure to achieve the Substantial Completion Milestone by the Outside Completion Date.

(2) Definition of Substantial Completion. The Premises shall be treated as having been substantially completed (and delivered to Tenant for the purposes of Section 3.1 of the Lease) on the date on which both of the following shall have occurred:

a) The date on which the Architect issues a certificate (or would have issued such certificate except for Tenant Delays) that Landlord's Work is substantially complete except for items of work and adjustment of equipment and fixtures which can be completed after occupancy has been taken without causing substantial interference with Tenant's use of the Premises (i.e. so-called "punch list" items), and Landlord has completed any required testing and balancing of the Landlord's Work, such that Tenant is able to occupy the Premises, and

b) The date Landlord has obtained a certificate of occupancy or signed permit card (or would have obtained such certificate or signed permit card except for Tenant Delays) from the applicable governmental authority, unless the failure to obtain such certificate or signed permit card is due to a Tenant Delay. Such certificate may be temporary, subject only to the completion of customary punch list items.

(3) Incomplete Work. Landlord shall complete as soon as conditions practically permit any incomplete items of Landlord's Work, and Tenant shall cooperate with Landlord in providing access as may be required to complete such work in a normal manner.

(4) Early Access by Tenant. Landlord shall permit Tenant access for (a) installing Tenant's trade fixtures and equipment in portions of the Premises thirty (30) days prior to the Commencement Date and when it can be done without material interference with remaining work or with the maintenance of harmonious labor relations, and (b) commissioning Tenant's equipment in the Premises fifteen (15) days prior to the Commencement Date and when it can be done without material interference with remaining work or with the maintenance of harmonious labor relations. Any such access by Tenant shall be at upon all of the terms and conditions of the Lease (other than the payment of Annual Fixed Rent and Additional Rent in respect of Landlord's Tax Expenses Allocable to the Premises and Operating Expenses Allocable to the Premises) and shall be at Tenant's sole risk, and Landlord shall not be responsible for any injury to persons or damage to property resulting from such early access by Tenant.

(6) Prohibition on Access by Tenant Prior to Actual Substantial Completion. If, prior to the date that the Premises are in fact actually substantially complete, the Premises are deemed to be substantially complete as a result of a Tenant Delay (i.e. and the Commencement Date has therefor occurred), Tenant shall not (except with Landlord's consent) be entitled to take possession of the Premises for the Permitted Use until the Premises are in fact actually substantially complete.

(7) LEED. Tenant shall, in all instances, comply with Tenant requirements and responsibilities, including the following items (such following items being required as part of the LEED Core & Shell certification and energy code compliance):

- Tenant to institute a non-smoking policy in the building and will only smoke in designated areas that are at least 25 feet away from entries, outdoor air intakes and operable windows.
- Tenant to design to ASHRAE 55 for thermal comfort.
- Tenant to achieve interior lighting power density: 0.60 W/SF
- Tenant to install Fan Powered Terminal boxes with ECM motors in the perimeter areas. The fan power should be equal or less than 0.3 W/CFM.
- Tenant to install collection areas for recycling mixed paper, glass, plastics, metals, and corrugated cardboard.

Note that to the extent any of the above items are incorporated into the Design Plans or Final Plans, Tenant shall not request changes to such plans that would remove such items.

1.11 Quality and Performance of Work

All of Landlord's Work shall be done in a good and workmanlike manner and in compliance with the Approved Plans (subject to any Change Orders), all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions, and orders and requirements of all public authorities ("Legal Requirements") and all Insurance Requirements (as defined in Article VIII of the Lease). All of Tenant's work (including, without limitation, those items explicitly excluded from Landlord's Work in Section 1.2(2) hereof) shall be coordinated with any work being performed by or for Landlord and in such manner as to maintain harmonious labor relations. Each party may inspect the work of the other at reasonable times and shall promptly give notice of observed defects. Each party authorizes the other to rely in connection with design and construction upon approval and other actions on the party's behalf by any Construction Representative of the party named in Section 1.1 of the Lease or any person hereafter designated in substitution or addition by notice to the party relying. Except to the extent to which Tenant shall have given Landlord notice of respects in which Landlord has not performed Landlord's construction obligations under this Work Agreement (if any) (i) not later than the end of the sixth (6th) full calendar month next beginning after the Commencement Date with respect to the heating, ventilating and air conditioning systems servicing the Premises, and (ii) not later than the third (3rd) full calendar month next beginning after the Commencement Date with respect to Landlord's construction obligations under this Work Agreement not referenced in (i) above, Tenant shall be deemed conclusively to have approved Landlord's construction and shall have no claim that Landlord has failed to perform any of Landlord's obligations under this Work Agreement (if any). Landlord agrees to correct or repair at its expense items which are then incomplete or do not conform to the work contemplated under the Approved Plans and as to which, in either case, Tenant shall have given notice to Landlord, as aforesaid. Upon achieving the Substantial Completion Milestone, Landlord shall use commercially reasonable efforts to enforce on Tenant's behalf the Contractor's warranty under the Contract providing that Contractor will remedy any defect in the Tenant Improvement Work. Landlord shall use commercially reasonable efforts to, within a reasonable time after achieving the Substantial Completion Milestone, assign to Tenant any warranties, if any, issued to Landlord with respect to the Tenant Improvement Work.

Exhibit B-2 ("Base Building Spec")

See Attached

1. PROJECT DESCRIPTION

One three-story, Class A research and development building including back-of-house and amenity uses. Project will also include one story of structured parking below grade.

2. FOUNDATIONS

The structure is supported on a foundation of concrete spread footings, basement and foundation walls, and slabs on grade.

3. STRUCTURE

A. The structure was designed in accordance with the following live loads:

1. Wind and seismic load in accordance with State Building Code.

2. Floor live load 100 lbs for R+D/office/lab use.

3. Mechanical equipment rooms -- actual weight of equipment.

4. Roof -- 35 lbs. per square foot minimum and in accordance with governing building codes, plus allowances for specific drifting and equipment loads.

B. The structure will consist of steel frame with composite steel and concrete floor; with longitudinal column spacing generally at 30’ on center. Floor to floor heights will allow generally for a suspended ceiling height in the R+D/office areas of approximately 10’0” A.F.F. on floors 1-3.

C. Structure is fireproofed where required by the Building Code. Structural assemblies requiring fireproofing will be sprayed with a fireproofing system as provided by W. R. Grace & Co. or equal.

D. Fire exit stairs are standard steel pan stair assemblies with painted steel handrails and concrete fill.

E. Miscellaneous iron items (elevator sill angles, ladders, railings, loose lintels, expansion plates, toilet partition support frames, etc.) will be provided as needed.

F. Roof Dunnage for base building mechanical equipment with areas specified for future Tenant equipment.

4. ROOFING AND WATERPROOFING

A. The roofing system will be one of the following; a mechanically fastened, heat welded thermoplastic system, EPDM, or TPO such as manufactured by Firestone, Carlisle or equal.

B. Roof insulation will be rigid fiberglass board, applied with staggered joints conforming to requirements of the State Energy Code and acceptable for use with the system specified.

C. Compatible roof walkway pads shall be provided for equipment access and servicing to base building equipment.

5. EXTERIOR WALLS

A. The exterior wall system will consist of a combination of the following: light gauge metal framing with precast panel facade with punched window openings, metal panels, window wall, and/or curtain wall.

B. Exterior entrance doors will be similar in construction to building window systems.

6. INTERIOR FINISHES

A. Main Lobby

Floors:	A combination of sealed concrete flooring, stone and carpet inserts as dictated by the architectural finish design.
Walls:	Feature walls will be a combination of wall covering, tempered back painted glass, glass whiteboard, hydroponic living wall and drywall panels.
Ceilings:	A combination of painted exposed ceiling, gypsum board, metal panels, and ACT ceiling panels.

B. Toilet Rooms

Floors:	Thin set ceramic tile, stone thresholds at door openings.
Walls:	Floor-to-ceiling ceramic tile on wet walls. Painted drywall and wallcovering on other walls.
Ceilings:	ACT ceiling panels.
Lavatory Counters:	Natural stone or other solid surface material with under-mount china lavatories.

C. Interior side of exterior walls below the finished ceiling will be finished with 5/8” drywall prepared to receive paint. Windowsills will be drywall, wood, or part of the curtainwall system.

D. Exit stair treads and landings will be sealed concrete. Stairwell walls will be painted drywall.

E. Door frames will be 16 gage hollow metal. Doors will be 18 gauge, flush, 1-3/4” thick hollow metal at all areas. All doors and hardware shall comply with regulations of the Architectural Access Board.

F. Interior core drywall surfaces will be 5/8” drywall prepared to receive paint. Interior hollow metal surfaces will receive one coat of primer and two coats of semi-gloss enamel. Architectural woodwork and wood doors will receive a sealer and clear polyurethane finish.

7. SPECIALTIES AND EQUIPMENT

A. A uniform building graphics system, consisting of a building identification sign and a building directory will be provided.

B. Metal toilet cubicle enclosures will be floor mounted and of steel panel construction with baked enamel finish. Toilet cubicle enclosures will be similar or equal to those manufactured by Bobrick.

C. Toilet room accessories will be similar or equal to those manufactured by Bobrick Company, all in accordance with regulations of Architectural Access Board.

8. VERTICAL TRANSPORTATION

Elevator ID	Capacity (#)	Speed (FPM)	Elevator Type
PE1	3,000	150	MRL
PE2	3,000	150	MRL
PE3	3,000	150	MRL
SE1	5,000	200	MRL
SE2	5,000	200	MRL

Passenger Cab Finishes: Stainless steel border and base with carpet inset, and a combination of glass or metal paneling with stainless steel trim to match elevator doors and control panel. Metal ceiling canopy with recessed accent lighting.

Service Cab Finishes: Brush stainless steel cab front and door. Textured stainless steel walls and canopy. Polygal ceiling with fluorescent lighting.

9. PLUMBING

A. Domestic water system will be supplied by metered service from a public water main, with operating pressure augmented by pressure boosting equipment as required. Water piping will be copper tubing; hot water piping will be insulated. Electric domestic water heaters serving 1 to 3 floors with a recirculation system will be provided for toilet room hot water.

Water heaters shall be UL approved and have ASME approved storage tank where required by local code.

B. Sanitary system will drain to public sewer, and will serve all fixtures and equipment. Sanitary piping will be no hub cast iron or galvanized steel. Stubouts for Tenant plumbing requirements will be provided on each floor.

C. Storm water drainage system will serve all roofs, areaways and plazas, and will drain through pipes into city storm water system. Storm water drainage piping will be service weight, no hub cast iron or galvanized steel; horizontal runs will be insulated.

D. Plumbing fixtures will be as manufactured by American Standard, Kohler, Crane, or equal. Water closets to be wall-carrier mounted. Low-flow water savings fixtures will be specified where possible.

E. The building will have water coolers, specified for lead-free fabrication, compliant with ADA accessibility guidelines (Hi lo fountain).

F. Frost-free hose bibs will be provided as required for exterior maintenance.

G. Lab wet stack locations will be provided to each Tenant space. Each stack location will include the following: vents, tempered water, non-potable cold water, and lab waste sleeves.

H. Landlord to provide sleeves in vertical pathway to common pH neutralization room.

I. Metering for gas will be accomplished as follows:

Gas meters at the gas meter bank on the east side of the building for Base Building equipment.

10. FIRE PROTECTION SYSTEM

A. Fire standpipes will be supplied from fire pond with operating pressure augmented by pressure boosting equipment as required. Standpipes will be cross connected with siamese connections and hose vale connection for Fire Department use only. All piping, valves and equipment will be Underwriters' Laboratories approved and labeled. Tamper switches will be provided on all main

control valves. All hose outlet threads and connections will conform to local Fire Department criteria.

B. Sprinkler heads will be NFPA approved.

C. Automatic sprinkler system will be supplied from a fire pond with operating pressure augmented by pressure boosting equipment. The system will be designed so that all occupied space in the building will be fully sprinklered at a head density in accordance with light hazard occupancy. Standpipes will be sized to allow for ordinary hazard head density in R+D spaces. Sprinkler system is currently part of the project scope as it is anticipated that a certificate of occupancy will be needed prior to building occupancy by any tenants. The Base Building provides distribution piping and sprinkler heads for common areas such as mechanical rooms, toilets, etc. and the stairwells will be cross connected. Provide concealed heads at lobby, elevator lobbies and toilet rooms.

D. Alarm and detection system are described under Section 12, Electrical Systems.

11. HEATING, VENTILATING AND AIR CONDITIONS

A. HVAC systems will be designed in accordance with the following performance criteria and anticipated load.

B.

1. The HVAC systems will be capable of maintaining indoor conditions no higher than 76°, 50% RH when outdoor conditions are no higher than 91ºF DB and 73ºF WB, and no lower than 72ºF DB when the outdoor conditions are no lower than 7ºF DB. No provision for humidification is provided.

2. HVAC supply and exhaust capacities are sized to provide 2 CFM/SF in R+D areas, and 0.3 CFM/SF in office areas of tenant space assuming a 50/50 R+D to Office split.

3. The supply air handlers will deliver a supply air temperature between 55ºF and 62ºF to the space.

4. Measured sound levels in the building when unoccupied and the system is operating at full load will not exceed the levels given below:

Lobbies and corridors: NC50

General offices: NC45

All other offices: NC40

C. The following describes the HVAC system:

1. Factory fabricated, rooftop packaged, DX cooled, Glycol Energy Recovery heated supply air handling units with energy recovery. Vertical supply air risers are provided.

2. Factory fabricated, rooftop packaged, exhaust air handling units. Vertical exhaust risers are provided.

3. Hot water heating system shall consist of a central gas fired hot water condensing boiler plant. Building heating hot water is circulated throughout the building via variable speed pumps package.

4. Toilet room and mechanical room exhaust systems and associated ductwork and fans.

5. Automatic temperature control system consisting of direct digital controls (DDC) and appurtenances for Base Building equipment. Connections of all base building fan coil units, VAV boxes, reheat coils, fans and associated systems, and tie into the Boston Properties Control Center.

6. Stair pressurization and elevator hoistway pressurization supply and stair relief system where required to meet code.

7. Acoustical duct lining for all return and transfer ductwork in mechanical equipment room and LP supply ductwork 10'-0" downstream of fan coil unit. Supply ductwork beyond lined ductwork shall be insulated with 1-1/2" duct insulation. Base Building ductwork shall be fully lined or insulated, where required for sound.

8. Air distribution system consisting of ductwork, volume dampers, fire dampers, registers, diffusers and linear diffusers for base building core areas only.

9. Air filtration provided in the rooftop units shall be rated for at least MERV 14.

10. Testing and balancing of all Base Building air, water, and life safety systems to insure proper system operation.

11. Base Building DDC system shall be compatible with measurement and verification levels required to meet LEED-CS v4.1, EA credits.

12. ELECTRICAL

A. Electrical systems will be designed in accordance with the following anticipated loads:

1. Lighting power requirements will be calculated on the basis of 0.6 watts per square foot of tenant space.

2. Tenant receptacle and miscellaneous office power requirements will be calculated on the basis of 4.4 watts per square foot of tenant space assuming a 50/50 R+D to Office split.

3. Tenant receptacle and miscellaneous R+D power requirements will be calculated on the basis of 14.4 watts per square foot of tenant space assuming a 50/50 R+D to Office split.

4. Power requirements for HVAC and other fixed building equipment will be determined by the actual equipment installed.

B. Vertical busway sized for loads described in section 12.A to be provided by Landlord.

C. The electrical power distribution system will receive low tension power at 480/277 volts, 3 phase, 4 wire from the transformers, and will incorporate one or more main switchboards and all subsidiary panelboards (power, lighting, equipment) as required. The Base Building distribution system will supply power as follows:

1. 480 volts, 3 phase to all motors ½ horsepower and larger.

2. 277 volts, single-phase to all LED (and other discharge-type lamp) lighting fixtures.

3. 120 volts, single-phase to all incandescent lighting fixtures.

4. 120 volts, single-phase to all general convenience receptacle outlets.

5. 120 volts single-phase; 208 volts, single-phase; 208 volts, 3-phase to specific use “hard-wired” or receptacle outlets, as determined from the requirements of the appliances assigned to the outlets.

D. Metering will be accomplished as follows:

Utility meters at customer station.

E. Three-phase, dry type transformers (480 volt delta to 208/120 volt wye) will be used to provide power of voltages not available from direct connection to the main service. Transformers will be the self-cooled indoor type with Class H insulation and steel enclosures.

F. The emergency and operational standby electrical power system will consist of (if required):

1. Diesel Fired emergency generator(s) sized to meet the power demands of all Base Building emergency equipment.

2. Gas fired operational standby generator sized to meet the power demands of all base building equipment and lab air exhaust system.

3. An emergency power distribution system supplying the fixtures illuminating base building egress passages and stairs, exit signs, elevators, fire alarm system, fire pump, and stairwell pressurization fans, as required.

4. Automatic transfer switches, which will connect the emergency power distribution system to the normal building distribution system and the emergency generator, as required.

G. The automatic fire detection and alarm system will be electronically operated double-supervised, connected to the Fire Department, and provided with a battery backup. All components of the fire alarm system (fire command station, manual alarm stations, alarm indicators, automatic smoke and heat detectors, fan control relays, etc.) will be Underwriters' Laboratories rated, and the system will comply with all requirements of the NFPA, ADA, governing building code and local authorities. Activation of a manual alarm station or an automatic detection device (waterflow switches, smoke detectors, etc.) will:

1. Sound the evacuation signals and flash the alarm lamps throughout the building.

2. Printout the device in alarm at the fire command center.

3. Summon the municipal fire department.

4. Activate smoke exhaust fans and/or shut down the HVAC system to prevent spread of smoke as appropriate.

Battery back-up failure or any disruption of the system wiring will sound an alarm at the system control panel.

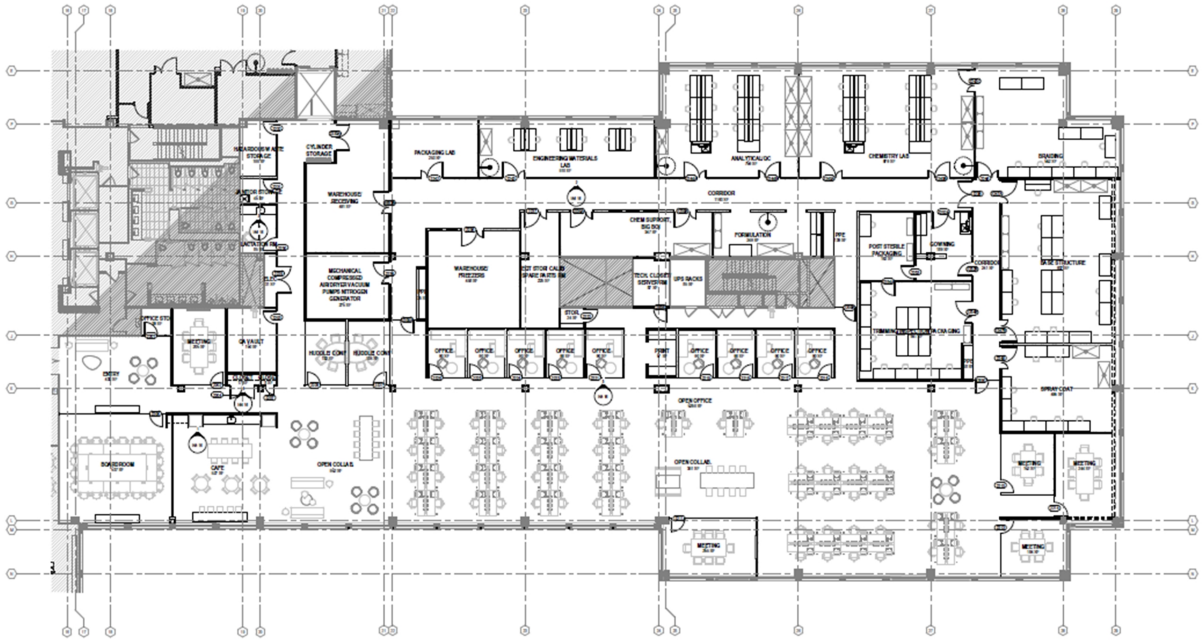
H. The base building will provide an area for the tenant's telecommunications vendor. A 4" sleeve will be provided for tenant's use. The sleeve will be located on each floor in the base building telecommunications closet.

13. LEED COMPLIANCE

A. The Landlord shall seek Core and Shell certification by the USGBC with target of not less than Silver certification.

Exhibit B-3 ("Fit Plan")

See Attached



1 AREA A - LEVEL 2 - LYRA ENLARGED TEST FIT
1/8" = 1'-0"

FLOOR PLAN LEGEND	FLOOR PLAN NOTES	FLOOR PLAN GENERAL NOTES
EXISTING PARTITION TO REMAIN NEW PARTITION DOOR NUMBER. REFER TO DOOR AND HARDWARE SCHEDULE ON SHEET A60 IN FOR FURTHER INFORMATION PARTITION TYPE FIRE EXTINGUISHER / CABINET NOT IN SCOPE NIC - EQUIPMENT BY FUTURE TENANT EQUIPMENT TAG CARD READER		1. REFER TO STRUCTURAL SHEETS FOR ALL UPGRADES TO STRUCTURE INCLUDING BUT NOT LIMITED TO FLOOR SLAB ADDITIONS, FLOOR SLAB PENETRATIONS, STRUCTURAL RESPACINGS, ETC. 2. REFER TO MECHANICAL SHEETS FOR ALL UPGRADES TO MECHANICAL EQUIPMENT. 3. REFER TO PLUMBING SHEETS FOR ALL UPGRADES TO PLUMBING EQUIPMENT AND PIPING. 4. REFER TO ELECTRICAL SHEETS FOR ALL UPGRADES TO ELECTRICAL EQUIPMENT. 5. REFER TO PARTITION TAGS ON PLAN FOR PARTITION TYPES. 6. ALL OUTSIDE CORNERS IN RECEIVING AREA AT LOADING DOCK TO HAVE CORNER GUARD (SS). 7. FIRE STOP ALL PENETRATIONS AT EXISTING AND NEW FIRE RATED PARTITIONS. 8. COORDINATE SHAFT AND FLOOR OPENINGS WITH MECHANICAL AND STRUCTURAL ENGRS. 9. PATCH AND REPLACE GRP/GRATING AT SHAFTS TO MATCH EXISTING DETAIL CONDITION. 10. COORDINATE ALL TRENCHING REQUIREMENTS WITH PLUMBING AND STRUCTURAL ENGRS. 11. ALL DOORS TO BE 6'-0" FROM EDGE OF WALL U.N.O. 12. CENTER ELEVATOR DOORS IN WALL U.N.O. 13. ALL WALLS TERMINATED AT THE EXTERIOR ALIGN CENTER OF WALL WITH CENTER OF MULLION U.N.O. 14. U.V. SUPPORT BLOCKING TO SUPPORT AWNING MANUAL ROLLER SHADES. PROVIDE NEW BLOCKING AS APPLICABLE. 15. ATTIC VOLUME TO MATCH, WHERE NEW PARTITIONS ARE BLADED ARE SCHEDULED TO BE LOCATED IN EXISTING ATTIC/MECHANICAL ROOMS.

Perkins&Will

CONSULTANTS

STRUCTURAL ENGINEER
McNAMARA SALVIA

MEP/FP ENGINEER
BR+A

TECHNOLOGY
VHB

LIGHTING DESIGNER
JENSEN HUGHES

CIVIL ENGINEER
HLS LIGHTING

LANDSCAPE ARCHITECT
COLBURN GUYETTE

LANDSCAPE ARCHITECT
ISI PLACEMAKING

880 WINTER STREET LAB REPOSITIONING PROJECT

LYRA THERAPEUTICS

Lyra Therapeutics,Inc.
480 Arsenal Way
Watertown, MA 02472

KEYPLAN

A

DESIGN DEVELOPMENT
MAY 05, 2021

ISSUE CHART

NO	ISSUE	DATE
JOB NUMBER		19.043.00
CHECKED		CHECKED
ADDENDA		ADDENDA

TITLE

AREA A - LEVEL 2 ENLARGED PLAN

SHEET NUMBER

I44-12

Exhibit B-4 (“Equipment Matrix”)

See Attached

LYRA - Lab Specialty Equipment Schedule

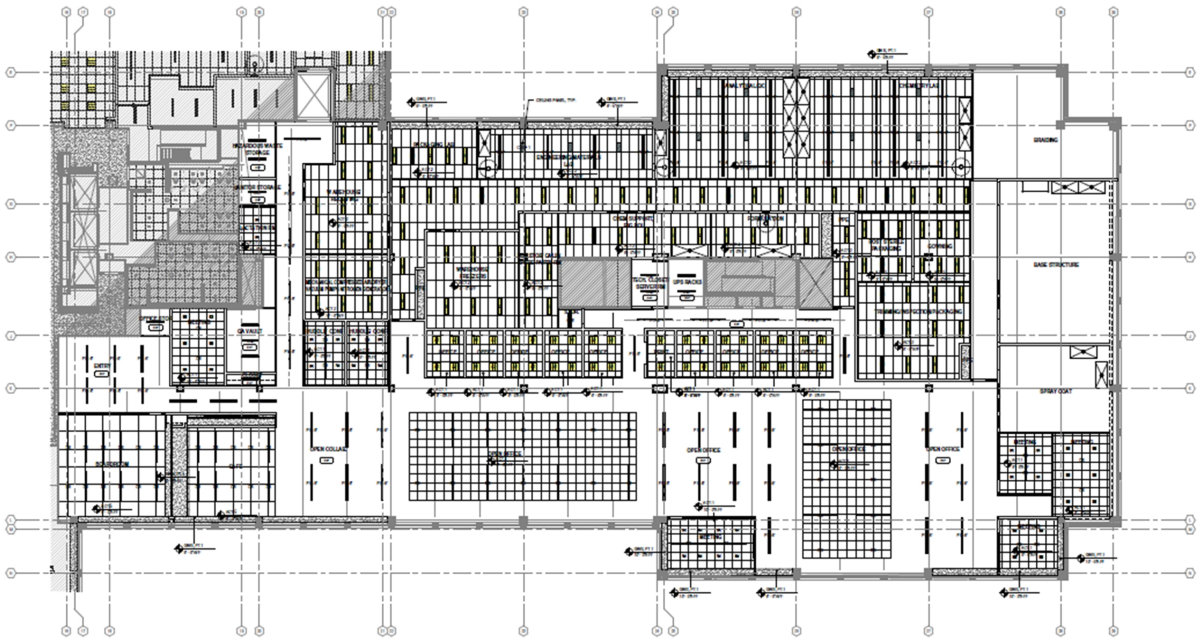
Equipment General										Dimensions			Clearances					Mechanical						Electrical						Plumbing							
PW Number	Item Name	Manufacturer	Model Number	Type	Asset Tag	Furnished By	Installed By	Location - F/B/S	Room: Name	Width	Depth	Height	Front	Back	Side	Weight	Computer	Remarks/ Adjacencies	Supply	Exhaust	Connection	CFM	Heat	Utilities	Plug Type	Voltage	Amperage	Phase	Watt or VA	Utilities	Drain	Waste	Utilities	Regulator	Fitting Type	Furnished	Installed	PSIRange
4001	VISION SYSTEM	INSIZE	ISD-V220CNC	3	MFG-355	REL	EU	B	BASE STRUCTURE	2' - 0"	2' - 6"	5' - 0"	0' - 6"	0' - 6"	0' - 6"	321	Y	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	220	-	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4002	QUENCH OVEN	VWR	10810-888	3	MFG-349	REL	EU	B	BASE STRUCTURE	2' - 1"	2' - 10"	2' - 6"	0' - 6"	0' - 6"	0' - 6"	154	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	16	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4003	QUENCH OVEN	FISHER	11575604	3	MFG-354	REL	EU	B	BASE STRUCTURE	2' - 1"	2' - 10"	2' - 6"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	16	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4004	ANNEALING OVEN	BINDER GMBH	ED115	3	MFG-001	REL	EU	B	BASE STRUCTURE	2' - 4"	2' - 0"	2' - 4"	0' - 6"	0' - 6.3"	0' - 3.9"	126	N	000	N/A	N/A	N/A	N/A	N/A	N/A		230	6.3	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4005	CURING OVEN	VWR	1380FM	3	MFG-013	REL	EU	B	BASE STRUCTURE	3' - 1"	2' - 11"	4' - 0"	0' - 6"	0' - 8"	0' - 8"	0	N	000	N/A	Y	FLEX	N/A	N/A	N/A		240	14.9	1	3590	UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4006	CURING OVEN	VWR	1380FM	3	MFG-013	REL	EU	B	BASE STRUCTURE	3' - 1"	2' - 11"	4' - 0"	0' - 6"	0' - 8"	0' - 8"	0	N	000	N/A	Y	FLEX	N/A	N/A	N/A		240	14.9	1	3590	UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4007	BALANCE	METTLER	ML204	4	MFG-044	REL	EU	B	BASE STRUCTURE	0' - 8"	0' - 11"	1' - 1"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	4.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4008	VACUUM SEALER	PACKWORLD USA	P3124VH440-1-22-06-DP	4	MFG-023	REL	EU	B	BASE STRUCTURE	1' - 6"	1' - 6"	0' - 10"	0' - 6"	0' - 6"	0' - 6"	90	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	20	1		SP	N/A	N/A	CA	000	000	000	000	80-100
4009	BALANCE	METTLER	ML204	4	MFG-350	REL	EU	B	BASE STRUCTURE	0' - 8"	0' - 11"	1' - 1"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	4.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4010	FURNACE	BARNSTEAD THERMOLYNE	FB1315M	4	MFG-021	REL	EU	B	BASE STRUCTURE	0' - 8"	0' - 9"	1' - 2"	0' - 6"	0' - 6"	0' - 6"	16	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	8.9	1	1060	SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4011	ENVIRONMENTAL CHAMBER	ELECTRO-TECH SYSTEMS	5518	4	MFG-362	REL	EU	B	BASE STRUCTURE	5' - 5"	3' - 11"	1' - 10"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	9.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4012	ORBITAL SHAKER	VWR	89032-096	4	MFG-011	REL	EU	B	BASE STRUCTURE	1' - 2"	1' - 4"	0' - 6"	0' - 6"	0' - 6"	0' - 6"	49	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	11.2	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4013	SPRAY COATER	NACS	NACS GEN 2	2	MFG-337	REL	EU	F	BASE STRUCTURE	5' - 6"	3' - 8"	0' - 1"	0' - 6"	0' - 6"	0' - 6"	412	Y	000	000	Y	000	000	000	000		220	-	1		UPS	000	000	N2 AND CA	000	000	000	000	000
4014	MICROSCOPE	LUXO	18712RB	4	MFG-007	REL	EU	B	BASE STRUCTURE	1' - 4"	0' - 11"	1' - 10"	0' - 6"	0' - 6"	0' - 6"	78	N	000	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	1	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4015	SOLDERING STATION	AOYUE	INT9378	4	MFG-151	REL	EU	B	BASE STRUCTURE	0' - 5"	0' - 11"	0' - 9"	0' - 6"	0' - 6"	0' - 6"	6	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	12.8	1	60	SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4016	MICROSCOPE	LUXO	18712RB	4	MFG-006	REL	EU	B	BASE STRUCTURE	1' - 4"	0' - 11"	1' - 10"	0' - 6"	0' - 6"	0' - 6"	78	N	000	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	1	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4017	MICROSCOPE	LUXO	18712RB	4	MFG-008	REL	EU	B	BASE STRUCTURE	1' - 4"	0' - 11"	1' - 10"	0' - 6"	0' - 6"	0' - 6"	78	N	000	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	1	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4018	SOLDERING STATION	AOYUE	INT9378	4	MFG-149	REL	EU	B	BASE STRUCTURE	0' - 5"	0' - 11"	0' - 9"	0' - 6"	0' - 6"	0' - 6"	6	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	12.8	1	60	SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4019	BALANCE	METTLER	ML204	4	MFG-020	REL	EU	B	BASE STRUCTURE	0' - 8"	0' - 11"	1' - 1"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	4.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4020	BALANCE	METTLER	AB104-S	4	MFG-019	REL	EU	B	BASE STRUCTURE	0' - 10"	1' - 0"	1' - 2"	0' - 6"	0' - 6"	0' - 6"	48	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1	60	SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4021	LASER MICROMETER	BETA LASERMIKE	Benchmike Pro25m	4	MFG-358	REL	EU	B	BASE STRUCTURE	2' - 1"	0' - 8"	0' - 10"	0' - 6"	0' - 6"	0' - 6"	53	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	5	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4022	BRAIDER	STEEGER	H580/32-2013-IMC 4K	2	MFG-199	REL	EU	F	BRAIDING	0' - 1"	0' - 1"	0' - 1"	0' - 6"	0' - 6"	0' - 6"	0	000	000	000	000	000	000	000		220	-	1		-	000	000	000	000	000	000	000	000
4023	DYNASCOPE	VISION ENGINEERING	QC200	4	EN-043	REL	EU	B	SPRAY COAT	1' - 0"	0' - 8"	0' - 8"	0' - 6"	0' - 6"	0' - 6"	7	Y	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	4.3	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4024	OVEN	VWR	414004-552	3	MFG-055	REL	EU	B	SPRAY COAT	2' - 4"	3' - 0"	3' - 2"	0' - 6"	0' - 6"	0' - 6"	119	000	000	N/A	N/A	N/A	N/A	000		220	-	1		UPS	000	000	000	000	000	000	000	000
4025	BALANCE	METTLER	MS3045	4	MFG-049	REL	EU	B	SPRAY COAT	0' - 8"	1' - 2"	1' - 2"	0' - 6"	0' - 6"	0' - 6"	27	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	0.4	1		-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4026	DRYING OVEN	YAMATO	DVS402	3	MFG-050	REL	EU	B	SPRAY COAT	1' - 10"	2' - 0"	2' - 9"	0' - 6"	0' - 6"	0' - 6"	106	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	12.5	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4027	MICROSCOPE	LUXO	18712RB	4	MFG-053	REL	EU	B	SPRAY COAT	1' - 4"	0' - 11"	1' - 10"	0' - 6"	0' - 6"	0' - 6"	78	N	000	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	1	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4028	VISION SYSTEM	INSIZE	ISD-V220CNC	3	MFG-356	REL	EU	B	SPRAY COAT	2' - 0"	2' - 6"	5' - 0"	0' - 6"	0' - 6"	0' - 6"	321	Y	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	220	-	1		-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4029	MICROSCOPE	LUXO	18712RB	4	MFG-059	REL	EU	B	SPRAY COAT	1' - 4"	0' - 11"	1' - 10"	0' - 6"	0' - 6"	0' - 6"	78	N	000	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	1	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4030	MICROSCOPE	LUXO	FOI-150-UL	4	MFG-105	REL	EU	B	SPRAY COAT	0' - 8"	0' - 6"	0' - 5"	0' - 6"	0' - 6"	0' - 6"	11	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	6.8	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4031	ORBITAL SHAKER	BENCHMARK SCIENTIFIC	BT1011	4	MFG-360	REL	EU	B	SPRAY COAT	1' - 5"	1' - 5"	0' - 5"	0' - 6"	0' - 6"	0' - 6"	65	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1	200	SP	000	000	000	000	000	000	000	000
4032	VACUUM SEALER	PACKWORLD USA	P3124VH440-1-22-06-DP	4	MFG-057	REL	EU	B	SPRAY COAT	1' - 6"	1' - 6"	0' - 10"	0' - 6"	0' - 6"	0' - 6"	90	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	20	1		SP	N/A	N/A	CA	000	000	000	000	80-100
4033	BALANCE	SARTORIUS	ME5	4	CH-038	REL	EU	B	SPRAY COAT	0' - 8"	1' - 4"	0' - 5"	0' - 6"	0' - 6"	0' - 6"	38	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		SP	000	000	000	000	000	000	000	000

4034	BALANCE	METTLER	ME4002E	4	MFG-452	REL	EU	B	SPRAY COAT	0' - 8"	1' - 1"	1' - 1"	0' - 6"	0' - 6"	0' - 6"	10	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	3.7	1		SP	000	000	000	000	000	000	000	000
4035	BALANCE	SARTORIUS	BCE2202I-1S	4	MFG-393	REL	EU	B	SPRAY COAT	0' - 8"	1' - 4"	0' - 5"	0' - 6"	0' - 6"	0' - 6"	38	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1	21VA	SP	000	000	000	000	000	000	000	000
4036	STIR PLATE	STUART	SB301	4	MFG-359	REL	EU	B	SPRAY COAT	1' - 1"	1' - 3"	0' - 5"	0' - 6"	0' - 6"	0' - 6"	11	N	000	N/A	N/A	N/A	N/A	N/A	N/A		230	-	1	50W	SP	000	000	000	000	000	000	000	000
4037	SPRAY COATER	NACS	NACS GEN 2	2	MFG-337	REL	EU	F	SPRAY COAT	5' - 6"	3' - 8"	0' - 1"	0' - 6"	0' - 6"	0' - 6"	412	000	000	000	Y	000	000	000			220	-	1		UPS	000	000	N2 AND CA	000	000	000	000	000
4038	DRYING OVEN	CASCADE TEK	TVO-5-VC	2	MFG-336	REL	EU	F	TRIMMING/INSPECTION/PACKAGING	2' - 3"	2' - 11"	2' - 9"	0' - 6"	0' - 6"	0' - 6"	219	N	000	N/A	N/A	N/A	N/A	N/A	N/A		120	13	1		UPS	N/A	N/A	LN2 & CA	N/A	N/A	N/A	N/A	N/A
4039	DRYING OVEN	CASCADE TEK	TVO-5-VC	2	MFG-404	REL	EU	F	TRIMMING/INSPECTION/PACKAGING	2' - 3"	2' - 11"	2' - 9"	0' - 6"	0' - 6"	0' - 6"	219	N	000	N/A	N/A	N/A	N/A	N/A	N/A		120	13	1		UPS	N/A	N/A	LN2 & CA	N/A	N/A	N/A	N/A	N/A
4040	DRYING OVEN	CASCADE TEK	TVO-5-VC	2	MFG-405	REL	EU	F	TRIMMING/INSPECTION/PACKAGING	2' - 3"	2' - 11"	2' - 9"	0' - 6"	0' - 6"	0' - 6"	219	N	000	N/A	N/A	N/A	N/A	N/A	N/A		120	13	1		UPS	N/A	N/A	LN2 & CA	N/A	N/A	N/A	N/A	N/A
4041	SEALER	PACKWORLD USA	PW3424-5-22-06-D	4	MFG-428	REL	EU	B	TRIMMING/INSPECTION/PACKAGING	1' - 6"	1' - 6"	0' - 10"	0' - 6"	0' - 6"	0' - 6"	85	N	000	N/A	N/A	N/A	N/A	N/A	N/A		115	20	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4042	SEALER	PACKWORLD USA	PW3424-5-22-06-D	4	MFG-372	REL	EU	B	TRIMMING/INSPECTION/PACKAGING	1' - 6"	1' - 6"	0' - 10"	0' - 6"	0' - 6"	0' - 6"	85	N	000	N/A	N/A	N/A	N/A	N/A	N/A		115	-	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4043	MICROSCOPE	OLYMPUS	SZ61	4	MFG-451	REL	EU	B	TRIMMING/INSPECTION/PACKAGING	0' - 1"	0' - 1"	0' - 1"	0' - 6"	0' - 6"	0' - 6"	0	000	000	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	-	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4044	MICROSCOPE	LUXO	LX250	4	EN-155	REL	EU	B	TRIMMING/INSPECTION/PACKAGING	1' - 2"	0' - 11"	2' - 4"	0' - 6"	0' - 6"	0' - 6"	42	N	000	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	12.8	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4045	REFLOW STATION	BEAHM DESIGN	220B	4	MFG-361	REL	EU	B	TRIMMING/INSPECTION/PACKAGING	1' - 6"	1' - 10"	1' - 2"	0' - 6"	0' - 6"	0' - 6"	130	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	110	11.6	1		SP	000	000	000	000	000	000	000	000
4046	REFLOW STATION	BEAHM DESIGN	210A	4	MFG-148	REL	EU	B	TRIMMING/INSPECTION/PACKAGING	1' - 9"	1' - 11"	1' - 2"	0' - 6"	0' - 6"	0' - 6"	142	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	110	11.6	1		SP	000	000	000	000	000	000	000	000
4047	HPLC SYSTEM	WATERS	ALLIANCE	3	AN-050	REL	EU	B	ANALYTICAL/QC	1' - 11"	1' - 11"	2' - 9"	0' - 6"	0' - 6"	0' - 6"	170	Y	000	N/A	N/A	N/A	N/A	N/A	N/A		120	-	1		DEC/UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4048	HPLC SYSTEM	WATERS	ALLIANCE	3	AN-057	REL	EU	B	ANALYTICAL/QC	1' - 11"	1' - 11"	2' - 9"	0' - 6"	0' - 6"	0' - 6"	170	Y	000	N/A	N/A	N/A	N/A	N/A	N/A		120	-	1		DEC/UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4049	UPLC SYSTEM	WATERS	ARC	3	AN-058	REL	EU	B	ANALYTICAL/QC	1' - 11"	1' - 11"	2' - 9"	0' - 6"	0' - 6"	0' - 6"	191	Y	000	N/A	N/A	N/A	N/A	N/A	N/A		120	-	1		DEC/UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4050	GC SYSTEM	THERMO FISHER	GC ULTRA	3	AN-004	REL	EU	B	ANALYTICAL/QC	2' - 1"	2' - 1"	3' - 2"	0' - 6"	0' - 6"	0' - 6"	168	Y	000	N/A	N/A	N/A	N/A	N/A	N/A		120	-	1		DEC/UPS	N/A	Y	N/A	N/A	N/A	N/A	N/A	N/A
4051	GC SYSTEM	THERMO FISHER	GC ULTRA	3	AN-043	REL	EU	B	ANALYTICAL/QC	2' - 1"	2' - 1"	3' - 2"	0' - 6"	0' - 6"	0' - 6"	168	Y	000	N/A	N/A	N/A	N/A	N/A	N/A		120	-	1		DEC/UPS	N/A	Y	N/A	N/A	N/A	N/A	N/A	N/A
4052	GC SYSTEM	THERMO FISHER	GC ULTRA	3	AN-044	REL	EU	B	ANALYTICAL/QC	2' - 1"	2' - 1"	3' - 2"	0' - 6"	0' - 6"	0' - 6"	168	Y	000	N/A	N/A	N/A	N/A	N/A	N/A		120	-	1		DEC/UPS	N/A	Y	N/A	N/A	N/A	N/A	N/A	N/A
4053	DSC SYSTEM	PERKIN ELMER	JADE	4	AN-006-1	REL	EU	B	ANALYTICAL/QC	1' - 2"	1' - 3"	0' - 7"	0' - 6"	1' - 3"	0' - 6"	48	Y	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	8.7	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4054	DSC CHILLER	PERKIN ELMER	SP COOLING ACCESSORY	2	AN-006-2	REL	EU	F	ANALYTICAL/QC	1' - 3"	1' - 9"	1' - 11"	0' - 6"	0' - 6"	0' - 6"	106	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4055	FTIR	PERKIN ELMER	SPECTRUM TWO	3	AN-061	REL	EU	B	ANALYTICAL/QC	1' - 5"	1' - 0"	1' - 1"	0' - 6"	0' - 6"	0' - 6"	48	Y	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	6.3	1		UPS	000	000	000	000	000	000	000	000
4056	TITRATOR	METTLER	C30	4	AN-032	REL	EU	B	ANALYTICAL/QC	3' - 4"	1' - 0"	1' - 8"	0' - 6"	0' - 6"	0' - 6"	56	N	000	N/A	Y	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		SP	N/A	N/A	N2	N/A	N/A	N/A	N/A	N/A
4057	TITRATOR	METTLER	C30S	4	AN-060	REL	EU	B	ANALYTICAL/QC	3' - 4"	1' - 0"	1' - 8"	0' - 6"	0' - 6"	0' - 6"	56	N	000	N/A	Y	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		SP	N/A	N/A	N2	N/A	N/A	N/A	N/A	N/A
4058	MICROFUGE CENTRIFUGE	BECKMAN COULTER	MICROFUGE 20R	4	AN-065	REL	EU	B	ANALYTICAL/QC	1' - 0"	2' - 1"	1' - 1"	0' - 6"	0' - 6"	0' - 6"	37	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	9.7	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4059	WATER BATH	CANNON INSTRUMENT COMPANY	CT-500 SERIES	4	AN-007	REL	EU	B	ANALYTICAL/QC	1' - 3"	1' - 5"	1' - 11"	0' - 6"	0' - 6"	0' - 6"	46	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	7.8	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4060	WATER BATH	VWR	10128-120	4	AN-047	REL	EU	B	ANALYTICAL/QC	1' - 2"	1' - 11"	1' - 4"	0' - 6"	0' - 6"	0' - 6"	56	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	9.4	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4061	WATER BATH	GRANT	LSB18US	4	AN-066	REL	EU	B	ANALYTICAL/QC	1' - 2"	1' - 11"	1' - 5"	0' - 6"	0' - 6"	0' - 6"	53	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	9.2	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4062	OVEN	VWR	414005-114	3	EN-133	REL	EU	B	ANALYTICAL/QC	1' - 9"	2' - 1"	2' - 8"	0' - 6"	0' - 6"	0' - 6"	94	N	000	N/A	Y	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4063	MILLI Q WATER SYSTEM	MILLIPORE	MILLI-Q IQ 7000	4	AN-063	REL	EU	B	ANALYTICAL/QC	1' - 4"	1' - 10"	2' - 5"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		SP	Y	N/A	NPCW	N/A	N/A	N/A	N/A	N/A
4064	MICROFUGE CENTRIFUGE	BECKMAN COULTER	22R	4	CC-005	REL	EU	B	ANALYTICAL/QC	1' - 3"	1' - 11"	1' - 1"	0' - 6"	0' - 6"	0' - 6"	41	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	7.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4065	BALANCE	METTLER	MS105DU	4	AN-018	REL	EU	B	ANALYTICAL/QC	1' - 0"	1' - 6"	1' - 6"	0' - 6"	0' - 6"	0' - 6"	28	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	7.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4066	SONICATOR	BRANSON	3510R-DTH	4	AN-026	REL	EU	B	ANALYTICAL/QC	1' - 4"	1' - 0"	1' - 3"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	4.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4067	ORBITAL SHAKER	VWR	89032-096	4	CH-144	REL	EU	B	ANALYTICAL/QC	1' - 3"	1' - 6"	0' - 6"	0' - 6"	0' - 6"	0' - 6"	31	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	115	-	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4068	GLOVE BOX	N/A	N/A	4	N/A	REL	EU	B	ANALYTICAL/QC	4' - 5"	2' - 0"	2' - 3"	0' - 6"	0' - 6"	0' - 6"	69	N	000	N/A	N/A	N/A	N/A	N/A	N/A		-	-	1		-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4069	ORBITAL SHAKER	COLE PALMER	51700-15	4	AN-067	REL	EU	B	FORMULATION	1' - 3"	1' - 6"	0' - 11"	0' - 6"	0' - 6"	0' - 6"	39	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	11.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4070	INCUBATOR	FISHER	Isotemp 150L	3	CH-260	REL	EU	B	CHEMISTRY LAB	2' - 6"	2' - 8"	2' - 8"	0' - 6"	0' - 6"	0' - 6"	181	N	000	N/A	Y	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4071	INCUBATOR	BINDER	ED115UL-120V	3	CH-258	REL	EU	B	CHEMISTRY LAB	2' - 7"	2' - 7"	2' - 11"				148	N	000	N/A	Y	N/A	N/A	N/A	N/A	NEMA 5-15	120	16	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4072	INCUBATOR	BINDER	FD115-ULE2	3	CH-142	REL	EU	B	CHEMISTRY LAB	2' - 7"	2' - 7"	2' - 11"	0' - 6"	0' - 6"	0' - 6"	148	N	000	N/A	Y	N/A	N/A	N/A	N/A	NEMA 5-15	120	16	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4073	OVEN	BINDER	51700-15	3	NO ID	REL	EU	B	CHEMISTRY LAB	3' - 0"	2' - 8"	3' - 6"	0' - 6"	0' - 6"	0' - 6"	191	N	000	N/A	Y	N/A	N/A	N/A	N/A		220	-	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4074	BALANCE	METTLER	#REF!	4	CH-164	REL	EU	B	CHEMISTRY LAB	1' - 0"	1' - 4"	0' - 11"	0' - 6"	0' - 6"	0' - 6"	22	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	6.8	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4075	BIG BOI	CUSTOM	000	2	NO ID	REL	EU	F	CHEM SUPPORT, BIG BOI	11' - 6"	5' - 2"	6' - 6"	3' - 0"	3' - 0"	3' - 0"	0	Y	000	N/A	Y	N/A	N/A	N/A	N/A		220	-	1		UPS	000	000	CA	000	000	000	000	000
4076	BALANCE	METTLER	MCE6.6S-2500-M	4	CH-263	REL	EU	B	CHEMISTRY LAB	0' - 8"	1' - 0"	0' - 5"	0' - 6"	0' - 6"	0' - 6"	19	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	8.2	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4077	VISION SYSTEM	INSIZE	ISD-V250A	3	EN-167	REL	EU	B	ENGINEERING/MATERIALS LAB	1' - 4"	2' - 8"	3' - 3"	0' - 6"	0' - 6"	0' - 6"	87	Y	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	12.7	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4078	INSTRON	000	3343	3	EN-070	REL	EU	B	ENGINEERING/MATERIALS LAB	1' - 2"	1' - 10"	4' - 0"	0' - 6"	0' - 6"	0' - 8"	147	Y	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	-	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4079	VACUUM OVEN	ACROSS INTERNATIONAL	Accutempt-19 Vacuum Oven	4	MFG-289	REL	EU	B	ENGINEERING/MATERIALS LAB	1' - 10"	1' - 10"	2' - 0"	0' - 6"	0' - 6"	0' - 6"	0	N	000	N/A	N/A	N/A	N/A	N/A	VAC	NEMA 5-15	120	-	1		UPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4080	WATER BATH	THERMO FISHER	2841	4	EN-149	REL	EU	B	ENGINEERING/MATERIALS LAB	1' - 4"	1' - 10"	0' - 10"	0' - 6"	0' - 6"	0' - 6"	38	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	12.6	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4081	WATER BATH	HAAKE	E203	4	EN-163	REL	EU	B	ENGINEERING/MATERIALS LAB	1' - 5"	1' - 10"	1' - 2"	0' - 6"	0' - 6"	0' - 6"	43	N	000	N/A	N/A	N/A	N/A	N/A	N/A	NEMA 5-15	120	11.3	1		SP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Exhibit B-5 ("RCP Plan")

See Attached



1 AREA A - LEVEL 2 - LYRA ENLARGED REFLECTED CEILING PLAN
1/8" = 1'-0"

Perkins&Will

CONSULTANTS

McNAMARA SALVIA

BR+A

VHB

JENSEN HUGHES

HLB LIGHTING

COLBURN GUYETTE

ISI PLACEMAKING

880 WINTER STREET LAB REPOSITIONING PROJECT

LYRA THERAPEUTICS

Lyra Therapeutics,Inc.
480 Arsenal Way
Watertown, MA 02472

KEYPLAN

DESIGN DEVELOPMENT

ISSUE CHART

Exhibit B-6 ("Long Lead Item List")

- Fan coil units
- Supplemental cooling systems
- Nitrogen generators
- pH neutralization systems
- Lift Stations
- Specialty lab gas piping
- Eyewash Stations and Safety Showers
- Fume Hoods
- Casework
- Phoenix Valves
- Generator and ATS
- Distribution Panels
- Transformers
- Light Fixtures
- Clean rooms
- Doors, frames, and hardware

EXHIBIT C

LANDLORD SERVICES

I. CLEANING

Cleaning and janitorial services shall be provided as needed Monday through Friday, exclusive of holidays observed by the cleaning company and Saturdays and Sundays.

A. OFFICE AREAS

Cleaning and janitorial services to be provided in the office areas shall include:

1. Vacuuming, damp mopping of resilient floors and trash removal.

2. Dusting of horizontal surfaces within normal reach (tenant equipment to remain in place).

3. High dusting and dusting of vertical blinds to be rendered as needed.

B. LAVATORIES

Cleaning and janitorial services to be provided in the common area lavatories of the building shall include:

1. Dusting, damp mopping of resilient floors, trash removal, sanitizing of basins, bowls and urinals as well as cleaning of mirrors and bright work.

2. Refilling of soap, towel, tissue and sanitary dispensers to be rendered as necessary.

3. High dusting to be rendered as needed.

C. MAIN LOBBIES, ELEVATORS, STAIRWELLS AND COMMON CORRIDORS

Cleaning and janitorial services to be provided in the common areas of the building shall include:

1. Trash removal, vacuuming, dusting and damp mopping of resilient floors and cleaning and sanitizing of water fountains.

2. High dusting to be rendered as needed.

D. WINDOW CLEANING

All exterior windows shall be washed on the inside and outside surfaces semi-annually.

II. HVAC

A. HVAC systems will be designed in accordance with the following performance criteria and anticipated load.

1. The HVAC systems will be capable of maintaining indoor conditions no higher than 76°, 50% RH when outdoor conditions are no higher than 91ºF DB and 73ºF WB, and no lower than 72ºF DB when the outdoor conditions are no lower than 7ºF DB. No provision for humidification is provided.

2. HVAC supply and exhaust capacities are sized to provide 2 CFM/SF in R+D areas, and 0.3 CFM/SF in office areas of tenant space assuming a 50/50 R+D to Office split.

3. The supply air handlers will deliver a supply air temperature between 55ºF and 62ºF to the space.

III. ELECTRICAL SERVICES

I. A.Electrical systems will be designed in accordance with the following anticipated loads:

5. Lighting power requirements will be calculated on the basis of 0.6 watts per square foot of tenant space.

6. Tenant receptacle and miscellaneous office power requirements will be calculated on the basis of 4.4 watts per square foot of tenant space assuming a 50/50 R+D to Office split.

7. Tenant receptacle and miscellaneous R+D power requirements will be calculated on the basis of 14.4 watts per square foot of tenant space assuming a 50/50 R+D to Office split.

B. In the event that Tenant has special equipment (such as computers and reproduction equipment) that requires either 3-phase electric power or any voltage other than 120 volts, or for any other usage, Landlord may at its option require the installation of separate metering (Tenant being solely responsible for the costs of any such separate meter and the installation thereof) and direct billing to Tenant for the electric power required for any such special equipment.

C. Landlord will furnish and install, at Tenant’s expense, all replacement lighting tubes, lamps and ballasts required by Tenant.

IV. ELEVATORS

Provide passenger elevator and service elevator service.

V. WATER

A. Provide domestic city water for lavatory purposes and cold water for drinking, lavatory and toilet purposes.

B. Provide tempered water loop for emergency eye-wash stations.

VI. CARD ACCESS SYSTEM

Landlord will provide a card access system at all entry doors of the building and entry door to the tenant premises.

EXHIBIT D

FLOOR PLAN

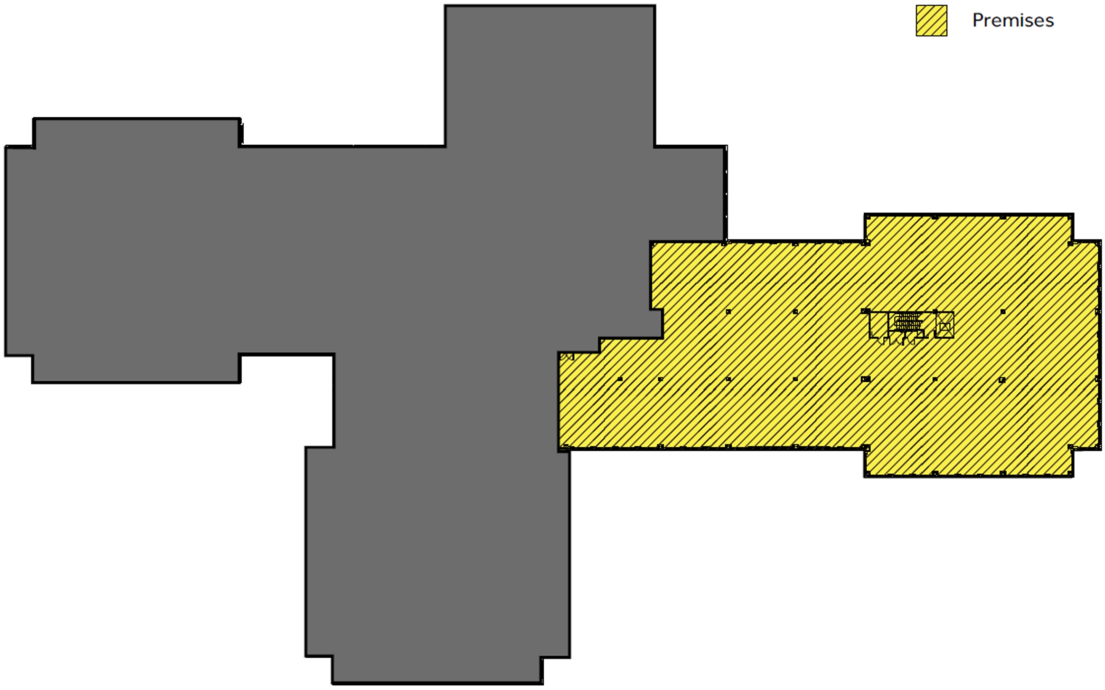


EXHIBIT D-1

PLAN OF LOCATION OF EMERGENCY GENERATOR

[See attached]

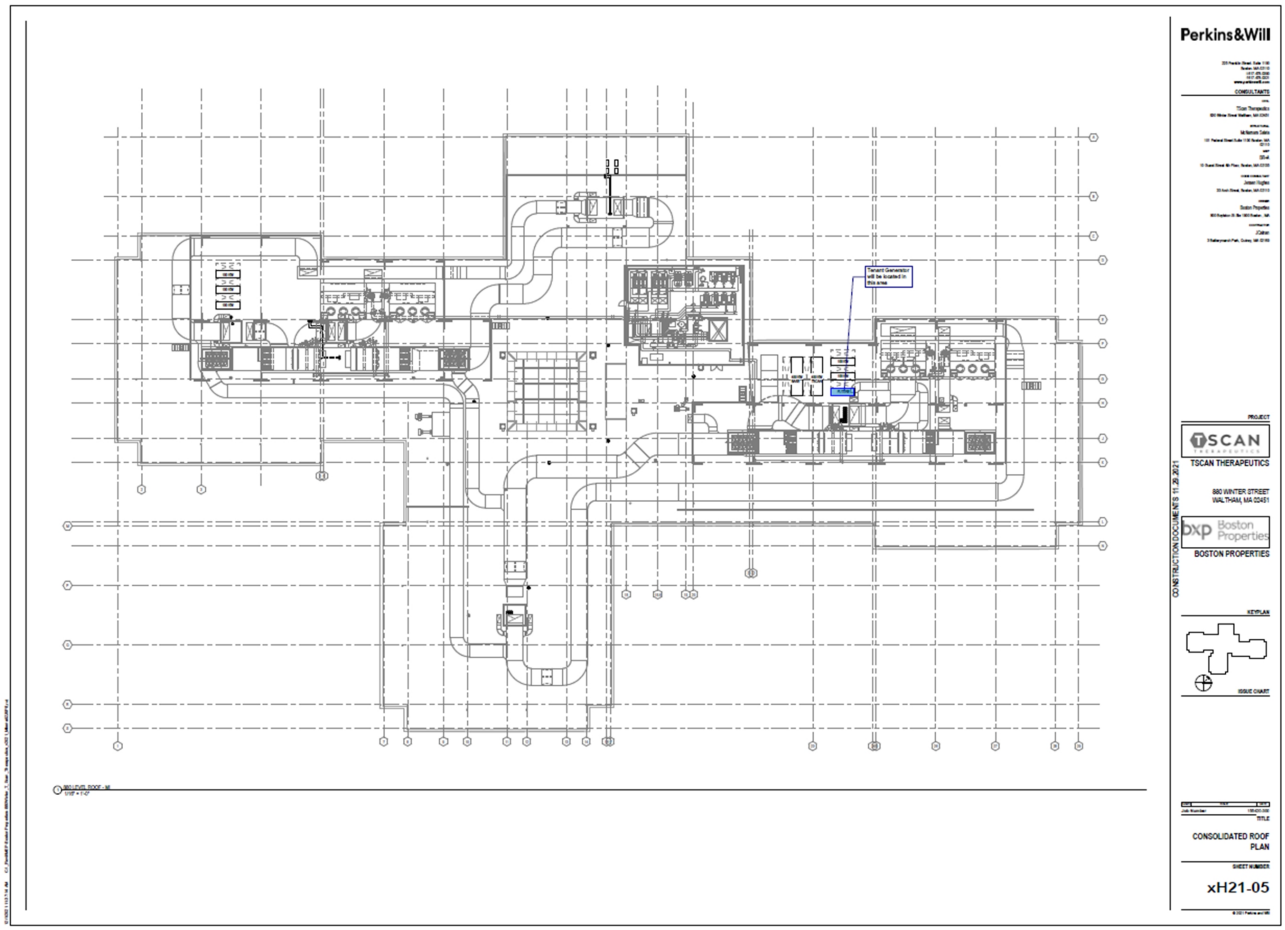

Perkins&Will
CONSULTANTS
PROJECT
TSCAN THERAPEUTICS
860 WINTER STREET
WALTHAM, MA 02451
BOSTON PROPERTIES
CONSTRUCTION DOCUMENTS 11.29.2021
KEYPLAN
ISSUE CHART
CONSOLIDATED ROOF PLAN
SHEET NUMBER
xH21-05

EXHIBIT D-2

PLAN OF LOCATION OF pH NEUTRALIZATION SYSTEM

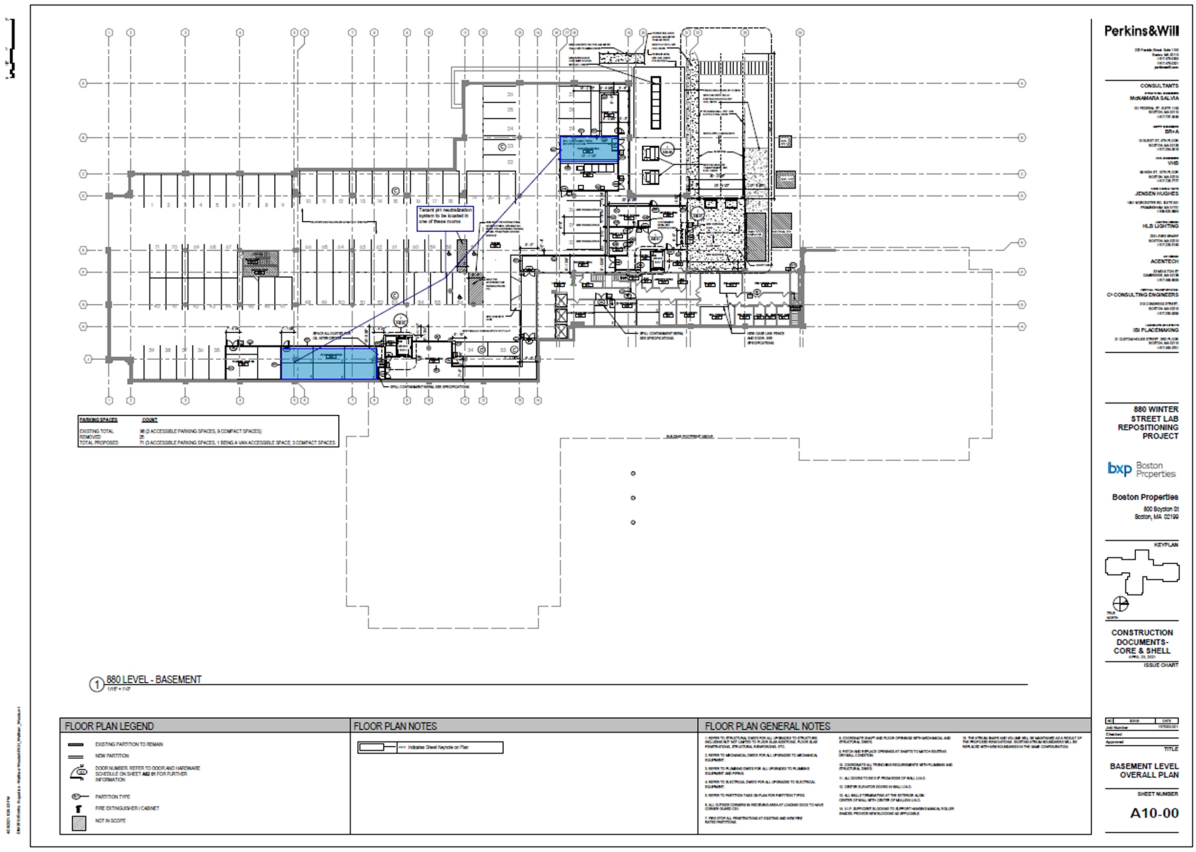

Perkins&Will
CONSULTANTS
880 WINTER STREET LAB REPOSITIONING PROJECT
Boston Properties
Boston Properties
800 Boylston St
Boston, MA 02199
KEYPLAN
CONSTRUCTION DOCUMENTS- CORE & SHELL
ISSUE CHART
BASEMENT LEVEL OVERALL PLAN
SHEET NUMBER
A10-00
880 LEVEL - BASEMENT
FLOOR PLAN LEGEND
FLOOR PLAN NOTES
FLOOR PLAN GENERAL NOTES

EXHIBIT E

FORM OF DECLARATION AFFIXING THE COMMENCEMENT DATE OF LEASE

THIS AGREEMENT made this day of , 202_, by and between BXP Waltham Woods LLC, a Delaware limited liability company (hereinafter "Landlord"), and Lyra Therapeutics, Inc., a Delaware corporation (hereinafter "Tenant").

W I T N E S E T H T H A T:

1. This Agreement is made pursuant to Section ***[2.4]*** of that certain Lease dated ***[date]***, between Landlord and Tenant (the "Lease").

2. It is hereby stipulated that the Lease Term commenced on ***[commencement date]***, (being the "Commencement Date" under the Lease), and shall end and expire on ***[expiration date]***, unless sooner terminated or extended, as provided for in the Lease.

WITNESS the execution hereof by persons hereunto duly authorized, the date first above written.

LANDLORD:

BXP Waltham Woods LLC,
a Delaware limited liability company

By: Boston Properties Limited Partnership, a
Delaware limited partnership, its non-member
manager

By: Boston Properties, Inc.,
a Delaware corporation,
its general partner

By:_____
Name:_____
Title:_____

TENANT:

Lyra Therapeutics, Inc., a Delaware corporation

By: _____
Name: _____
Title: _____
Hereunto duly authorized

EXHIBIT F

FORM OF LETTER OF CREDIT

[Letterhead of a money center bank acceptable to the Owner]

[Please note the tenant on this Letter of Credit must match the exact tenant entity in the Lease]

[date]

[Landlord]
c/o Boston Properties LP
800 Boylston Street, Suite 1900
Boston, Massachusetts 02199-8103
Attn: Lease Administration, Legal Dept.

Ladies and Gentlemen:

We hereby establish our Irrevocable Letter of Credit and authorize you to draw on us at sight for the account of ***[Tenant]*** ("Applicant"), the aggregate amount of ***[spell out dollar amount]*** and ***[__]***/100 Dollars ***[($)]***. You shall have the right to make partial draws against this Letter of Credit from time to time.

Funds under this Letter of Credit are available to the beneficiary hereof as follows:

Any or all of the sums hereunder may be drawn down at any time and from time to time from and after the date hereof by ***[Landlord]*** ("Beneficiary") when accompanied by this Letter of Credit and a written statement signed by an individual purporting to be an authorized agent of Beneficiary, certifying that such moneys are due and owing to Beneficiary, and a sight draft executed and endorsed by such individual.

This Letter of Credit is transferable in its entirety to any successor in interest to Beneficiary as owner of ***[Property, Address, City/Town, State]***. Should a transfer be desired, such transfer will be subject to the return to us of this advice, together with written instructions. Any fees related to such transfer shall be for the account of the Applicant.

The amount of each draft must be endorsed on the reverse hereof by the negotiating bank. We hereby agree that this Letter of Credit shall be duly honored upon presentation and delivery of the certification specified above.

This Letter of Credit shall expire on ***[Final Expiration Date]***.

Notwithstanding the above expiration date of this Letter of Credit, the term of this Letter of Credit shall be automatically renewed for successive, additional one (1) year periods unless, at least sixty (60) days prior to any such date of expiration, the undersigned shall give written notice to

Beneficiary, by certified mail, return receipt requested and at the address set forth above or at such other address as may be given to the undersigned by Beneficiary, that this Letter of Credit will not be renewed.

If any instructions accompanying a drawing under this Letter of Credit request that payment is to be made by transfer to your account with another bank, we will only effect such payment by fed wire to a U.S. regulated bank, and we and/or such other bank may rely on an account number specified in such instructions even if the number identifies a person or entity different from the intended payee.

This Letter of Credit is governed by the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication 500.

Very truly yours,

[Name of Issuing Bank]

By: _____
Name: _____
Title: _____

EXHIBIT G

INTENTIONALLY DELETED

EXHIBIT H

FORM OF CERTIFICATE OF INSURANCE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
—	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
109722-BLNK-GL-15-16	INSURER A :	
INSURED SAMPLE	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	X ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ☐ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	X UMBRELLA LIAB X OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? N	N / A					E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc.

ACORD 25 (2014/01) The ACORD name and logo are registered marks of ACORD

EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY PHONE (A/C, No, Ext):	COMPANY
FAX (A/C, No): E-MAIL ADDRESS:	
CODE: SUB CODE:	
AGENCY CUSTOMER ID #:	
INSURED Enter text: The named insured(s) as it/they will appear on the policy declarations page.	LOAN NUMBER POLICY NUMBER
	EFFECTIVE DATE EXPIRATION DATE ☐ CONTINUED UNTIL TERMINATED IF CHECKED
	S REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE

REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS	☐ MORTGAGEE ☐ ADDITIONAL INSURED ☐ LOSS PAYEE
	LOAN #
	AUTHORIZED REPRESENTATIVE

ACORD 27 (2009/12)

EXHIBIT I

LIST OF MORTGAGES

None.

EXHIBIT J

Intentionally Omitted

EXHIBIT K

BROKER DETERMINATION OF PREVAILING MARKET RENT

Where in the Lease to which this Exhibit is attached provision is made for a Broker Determination of Prevailing Market Rent, the following procedures and requirements shall apply:

1. Tenant's Request. Tenant shall send a notice to Landlord in accordance with Section 9.18 of the Lease, requesting a Broker Determination of the Prevailing Market Rent, which notice to be effective must (i) make explicit reference to the Lease and to the specific section of the Lease pursuant to which said request is being made, (ii) include the name of a broker selected by Tenant to act for Tenant, which broker shall be affiliated with a major Boston commercial real estate brokerage firm selected by Tenant and which broker shall have at least ten (10) years' experience dealing in properties of a nature and type generally similar to the Building located in the Boston West Suburban Market, and (iii) explicitly state that Landlord is required to notify Tenant within thirty (30) days of an additional broker selected by Landlord.

2. Landlord's Response. Within thirty (30) days after Landlord's receipt of Tenant's notice requesting the Broker Determination and stating the name of the broker selected by Tenant, Landlord shall give written notice to Tenant of Landlord's selection of a broker having at least the affiliation and experience referred to above.

3. Selection of Third Broker. Within ten (10) days thereafter the two (2) brokers so selected shall select a third such broker also having at least the affiliation and experience referred to above.

4. Rental Value Determination. Within thirty (30) days after the selection of the third broker, the three (3) brokers so selected, by majority opinion, shall make a determination of the annual fair market rental value of the Premises for the Extended Term. Such annual fair market rental value determination (x) may include provision for annual increases in rent during said Extended Term if so determined, (y) shall take into account the as-is condition of the Premises and (z) shall take account of, and be expressed in relation to, the payment in respect of taxes and operating costs and provisions for paying for so-called tenant electricity as contained in the Lease. The brokers shall advise Landlord and Tenant in writing by the expiration of said thirty (30) day period of the annual fair market rental value which as so determined shall be referred to as the "Prevailing Market Rent."

5. Resolution of Broker Deadlock. If the Brokers are unable to agree at least by majority on a determination of annual fair market rental value, then the brokers shall send a notice to Landlord and Tenant by the end of the thirty (30) day period for making said determination setting forth their individual determinations of annual fair market rental value, and the highest such determination and the lowest such determination shall be disregarded and the remaining determination shall be deemed to be the determination of annual fair market rental value and shall be referred to as the Prevailing Market Rent.

6. Costs. Each party shall pay the costs and expenses of the broker selected by it and each shall pay one half (1/2) of the costs and expenses of the third broker.

7. Failure to Select Broker or Failure of Broker to Serve. If Tenant shall have requested a Broker Determination and Landlord shall not have designated a broker within the time period provided therefor above and such failure shall continue for more than ten (10) days after notice thereof, then Tenant's broker shall alone make the determination of the Prevailing Market Rent in writing to Landlord and Tenant within thirty (30) days after the expiration of Landlord's right to designate a broker hereunder. If Tenant and Landlord have both designated brokers but the two brokers so designated do not, within a period of fifteen (15) days after the appointment of the second broker, agree upon and designate the third broker willing so to act, the Tenant, the Landlord or either broker previously designated may request the Boston Bar Association (or such organization as may succeed to the Boston Bar Association) to designate the third broker willing so to act and a broker so appointed shall, for all purposes, have the same standing and powers as though he had been reasonably appointed by the brokers first appointed. In case of the inability or refusal to serve of any person designated as a broker, or in case any broker for any reason ceases to be such, a broker to fill such vacancy shall be appointed by the Tenant, the Landlord, the brokers first appointed or the Boston Bar Association, as the case may be, whichever made the original appointment, or if the person who made the original appointment fails to fill such vacancy, upon application of any broker who continues to act or by the Landlord or Tenant such vacancy may be filled by the said Boston Bar Association, and any broker so appointed to fill such vacancy shall have the same standing and powers as though originally appointed.

Exhibit 4.3

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "First Amendment") dated as of this 20 day of July, 2022 (the "Effective Date"), by and between BXP Waltham Woods LLC, a Delaware limited liability company ("Landlord") and LYRA THERAPEUTICS, INC., a Delaware corporation ("Tenant").

RECITALS

By Lease dated May 31, 2022 (the "Lease"), Landlord did lease to Tenant and Tenant did hire and lease from Landlord certain premises containing 28,858 square feet of rentable floor area on the second (2nd) floor of the building (the "Building") known as Waltham Weston Corporate Center and numbered 880 Winter Street, Waltham, Massachusetts (referred to in the Lease as the "Premises"), as described with greater particularity in the Lease.

WHEREAS the amount of the Security Deposit (as defined in the Lease) is misstated in the Section 9.19 of the Lease, and Landlord and Tenant desire to correct such scrivener's errors herein; and

WHEREAS, Landlord and Tenant are entering into this First Amendment to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of One Dollar ($1.00) and other good and valuable consideration in hand this date paid by each of the parties to the other, the receipt and sufficiency of which are hereby severally acknowledged, and in further consideration of the mutual promises herein contained, Landlord and Tenant hereby agree to and with each other as follows:

1. The reference to "One Million Four Hundred Fifty-Two Thousand Five Hundred Nineteen and 00/100 Dollars ($1,452,519.00)" in the first paragraph of Section 9.19 of the Lease is hereby deleted in its entirety and replaced with "One Million Eighty-Nine Thousand Three Hundred Eighty-Nine and 00/100 Dollars ($1,089,389.00)".

2. (A)Tenant warrants and represents that Tenant has not dealt with any broker in connection with the consummation of this First Amendment; and in the event any claim is made against Landlord relative to dealings by Tenant with brokers, Tenant shall defend the claim against Landlord with counsel of Tenant's selection first approved by Landlord (which approval will not be unreasonably withheld) and save harmless and indemnify Landlord on account of loss, cost or damage which may arise by reason of such claim.
(B) Landlord warrants and represents that Landlord has not dealt with any broker in connection with the consummation of this First Amendment; and in the event any claim is made against Tenant relative to dealings by Landlord with brokers, Landlord shall defend the claim against Tenant with counsel of Landlord's selection first approved by Tenant (which approval will not be unreasonably withheld) and save harmless and indemnify Tenant on account of loss, cost or damage which may arise by reason of such claim.

3. Except as otherwise expressly provided herein, all capitalized terms used herein without definition shall have the same meanings as are set forth in the Lease.

4. Except as herein amended the Lease shall remain unchanged and in full force and effect. All references to the "Lease" shall be deemed to be references to the Lease as herein amended.

5. This First Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same document.

6. The parties acknowledge and agree that this First Amendment may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

[*Signature Page Follows*]

EXECUTED as of the date and year first above written.

LANDLORD:

BXP Waltham Woods LLC, a Delaware limited liability company

By: BOSTON PROPERTIES LIMITED PARTNERSHIP, a Delaware limited partnership, its manager

By: BOSTON PROPERTIES, Inc., a Delaware corporation, its general partner

By: /s/ Patrick Mulvihill
Name: Patrick Mulvihill
Title: Senior Vice President, Leasing

TENANT:

Lyra Therapeutics, Inc., a Delaware corporation

By: /s/ Maria Palasis
Name: Maria Palasis
Title: CEO

Exhibit 10.1

AMENDMENT NO. 1 TO
LYRA THERAPEUTICS, INC.
2022 EMPLOYMENT INDUCEMENT AWARD PLAN

THIS AMENDMENT NO. 1 TO THE LYRA THERAPEUTICS, INC. 2022 EMPLOYMENT INDUCEMENT AWARD PLAN (this "***Amendment***") is made and adopted by Lyra Therapeutics, Inc., a Delaware corporation (the "***Company***"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan (as defined below).

WHEREAS, the Company has adopted the Lyra Therapeutics, Inc. 2022 Employment Inducement Award Plan (the "***Plan***").

WHEREAS, the Company desires to amend the Plan as set forth below.

NOW, THEREFORE, in consideration of the foregoing, the Company hereby amends the Plan as follows:

1. Section 11.28 of the Plan is amended to read as follows:

11.28 "***Overall Share Limit***" means 1,473,002 Shares.

2. This Amendment is hereby incorporated in and forms a part of the Plan. All other terms of the Plan shall remain unchanged except as specifically modified herein. The Plan, as amended by this Amendment, is hereby ratified and confirmed.

ADOPTED BY THE BOARD OF DIRECTORS: June 16, 2022

AMENDMENT NO. 2 TO LYRA THERAPEUTICS, INC. 2022 EMPLOYMENT INDUCEMENT AWARD PLAN

THIS AMENDMENT NO. 2 TO THE LYRA THERAPEUTICS, INC. 2022 EMPLOYMENT

INDUCEMENT AWARD PLAN (this "***Amendment***") is made and adopted by Lyra Therapeutics, Inc., a Delaware corporation (the "***Company***"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan (as defined below).

WHEREAS, the Company has adopted the Lyra Therapeutics, Inc. 2022 Employment Inducement Award Plan (the "***Plan***").

WHEREAS, the Company desires to amend the Plan as set forth below.

NOW, THEREFORE, in consideration of the foregoing, the Company hereby amends the Plan as follows:

1. Section 11.28 of the Plan is amended to read as follows:

11.28 "***Overall Share Limit***" means 1,703,002 Shares.

2. This Amendment is hereby incorporated in and forms a part of the Plan. All other terms of the Plan shall remain unchanged except as specifically modified herein. The Plan, as amended by this Amendment, is hereby ratified and confirmed.

ADOPTED BY THE BOARD OF DIRECTORS: June 29, 2022

Exhibit 10.3

Employment Agreement

This Employment Agreement (this "Agreement"), dated as of June 30, 2022, is made by and between Lyra Therapeutics, Inc., a Delaware corporation (together with any successor thereto, the "Company"), and Richard Nieman ("Executive") (collectively referred to herein as the "Parties" or individually referred to as a "Party").

RECITALS

A. It is the desire of the Company to assure itself of the services of Executive commencing on or about July 11, 2022 (the actual date Executive commences employment, the "Start Date") and thereafter by entering into this Agreement.

B. Executive and the Company mutually desire that Executive provide services to the Company on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the Parties hereto agree as follows:

1. Employment.

(a) General. Effective upon the Start Date, the Company shall employ Executive, and Executive shall be employed by the Company, for the period and in the positions set forth in this Section 1, and subject to the other terms and conditions herein provided.

(b) At-Will Employment. The Company and Executive acknowledge that Executive's employment is and shall continue to be "at-will," as defined under applicable law, and that Executive's employment with the Company may be terminated by either Party at any time for any or no reason (subject to the notice requirements of Section 3(b)). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a duly authorized officer of the Company. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, award or compensation other than as provided in this Agreement or otherwise agreed to in writing by the Company or as provided by applicable law. The term of this Agreement (the "Term") shall commence on the Start Date and end on the date this Agreement is terminated under Section 3.

(c) Positions and Duties. During the Term, Executive shall serve as Chief Medical Officer of the Company, with such responsibilities, duties and authority normally associated with such position and as may from time to time be assigned to Executive by the Chief Executive Officer of the Company. Executive shall devote substantially all of Executive's working time and efforts to the business and affairs of the Company (which shall include service to its affiliates, if applicable) and shall not engage in outside business activities (including serving on outside boards or committees) without the consent of the Board of Directors of the Company or an authorized committee of the thereof (in either case, the "Board"), provided that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations, (iii) serve on the board of directors of not-for-profit or tax-exempt charitable organizations, and (iv) hold unpaid, honorary academic appointments (such as the Executive's existing Visiting Senior Lecturer position at King's College, London, UK), in each case, subject to compliance with this Agreement and provided that such activities do not materially interfere with Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to

observe and comply with the rules and policies of the Company as adopted by the Company from time to time, in each case, as amended from time to time, and as delivered or made available to Executive (collectively, the "Policies" and, each, a "Policy").

2. Compensation and Related Matters.

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at a rate of $455,000 per annum, which shall be paid in accordance with the customary payroll practices of the Company and shall be pro-rated for partial years of employment. Such annual base salary shall be reviewed (and may be adjusted) from time to time by the Board (such annual base salary, as it may be adjusted from time to time, the "Annual Base Salary").

(b) Annual Cash Bonus Opportunity. During the Term, Executive will be eligible to participate in an annual incentive program established by the Board. Executive's annual incentive compensation under such incentive program (the "Annual Bonus") shall be targeted at forty percent (40%) of Executive's Annual Base Salary (such target, as may be increased by the Board from time to time, the "Target Annual Bonus"). The Annual Bonus payable under the incentive program shall be based on the achievement of performance goals to be determined by the Board. Executive's Annual Bonus, if earned (as determined by the Board in its discretion), for the 2022 fiscal year will be pro-rated for Executive's partial year of employment based on the six (6) month period that Executive will be employed by the Company during the 2022 fiscal year. The payment of any Annual Bonus pursuant to the incentive program shall be subject to Executive's continued employment with the Company through the date of payment, except as otherwise provided in Section 4(b).

(c) Stock Option. Subject to the approval of the Board, Executive will be granted an option to purchase 230,000 shares of the common stock of the Company at an exercise price equal to the closing price per share of the Company's common stock on the date of grant or the last trading day preceding the date of grant if the date of grant is not a trading day (the "Option"). Subject to Executive's continued service to the Company through each applicable vesting date, twenty-five percent (25%) of the shares subject to the Option will vest on the first anniversary of the Start Date, and the remaining shares subject to the Option will vest in thirty-six (36) substantially equal monthly installments thereafter, such that the Option will be fully vested on the fourth anniversary of the Start Date. The Option will be subject to the terms of the Company's 2020 Incentive Award Plan (the "Plan") and a stock option agreement (on the Company's standard form of stock option agreement under the Plan) to be entered into between Executive and the Company.

(d) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements of the Company (including medical, dental and 401(k) plans), subject to the terms and eligibility requirements thereof and as such plans, programs and arrangements may be amended from time to time. In no event shall Executive be eligible to participate in any severance plan or program of the Company, except as set forth in Section 4 of this Agreement.

(e) Vacation. During the Term, Executive shall be entitled to paid personal leave in accordance with the Company's Policies. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive.

(f) Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement Policy. This will also include reasonable subscriptions and annual dues payable in connection with Executive's professional development and customary affiliations. Notwithstanding the foregoing, during the period beginning on

the Start Date and ending on June 30, 2025, and thereafter subject to renewal at the Board's discretion (the "Reimbursement Period"), the Company shall (i) reimburse Executive for Executive's reasonable travel expenses from Executive's home in New Jersey to the Company's offices in Massachusetts, (ii) provide Executive with the use of a corporate apartment that is reasonably close in proximity to the Company's Massachusetts offices or reimburse Executive for Executive's reasonable hotel costs while working in Massachusetts; and (iii) reimburse Executive for all income and employment taxes incurred by Executive as a result of payments and benefits provided to Executive under this sentence, including under this clause (iii); provided, that for each calendar month during the Reimbursement Period, the sum of the amount of any such expenses eligible for reimbursement and the cost to the Company of providing a corporate apartment shall not exceed $6,250 (prorated for any partial month of employment). Executive will submit requests for reimbursement and reasonably requested supporting documentation to the Company promptly following the date Executive incurs the related expense. All reimbursements payable to Executive under this Section shall be paid promptly following receipt of such requests and supporting documentation and no later than December 31 of the year following the year in which the expense was incurred. For the avoidance of doubt, travel expenses shall not include meals, ground transportation between the corporate apartment or hotel and the Company's office or other incidental expenses.

(g) Key Person Insurance. At any time during the Term, the Company shall have the right (but not the obligation) to insure the life of Executive for the Company's sole benefit. The Company shall have the right to determine the amount of insurance and the type of policy. Executive shall reasonably cooperate with the Company in obtaining such insurance by submitting to physical examinations, by supplying all information reasonably required by any insurance carrier and by executing all necessary documents reasonably required by any insurance carrier, provided that any information provided to an insurance company or broker shall not be provided to the Company without the prior written authorization of Executive. Executive shall incur no financial obligation by executing any required document and shall have no interest in any such policy.

3. Termination.

Both Executive's employment hereunder and the Term may be terminated by the Company or Executive, as applicable, without any breach of this Agreement under the following circumstances:

(a) Circumstances.

(i) *Death*. Executive's employment hereunder shall terminate upon Executive's death.

(ii) *Disability*. If Executive has incurred a Disability, as defined below, the Company may terminate Executive's employment, provided that such termination would not violate any federal or state disability, paid family leave or other similar applicable law.

(iii) *Termination for Cause*. The Company may terminate Executive's employment for Cause, as defined below.

(iv) *Termination without Cause*. The Company may terminate Executive's employment without Cause.

(v) *Resignation from the Company with Good Reason.* Executive may resign Executive's employment with the Company with Good Reason, as defined below.

(vi) *Resignation from the Company without Good Reason*. Executive may resign Executive's employment with the Company for any reason other than Good Reason or for no reason.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 3 (other than termination pursuant to Section 3(a)(i)) shall be communicated by a written notice to the other Party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, if applicable, and (iii) specifying a Date of Termination (as defined below) which, if submitted by Executive, shall be at least thirty (30) days following the date of such notice (a "Notice of Termination"); *provided, however*, that in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs following the date of the Company's receipt of such Notice of Termination and is prior to the date specified in such Notice of Termination, but the termination will still be considered a resignation by Executive. A Notice of Termination submitted by the Company may provide for a Date of Termination on the date Executive receives the Notice of Termination, or any date thereafter elected by the Company. The failure by either Party to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Party hereunder or preclude the Party from asserting such fact or circumstance in enforcing the Party's rights hereunder.

(c) Company Obligations upon Termination. Upon termination of Executive's employment pursuant to any of the circumstances listed in this Section 3, Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Annual Base Salary earned through the Date of Termination, but not yet paid to Executive; (ii) any expense reimbursements owed to Executive pursuant to Section 2(f); and (iii) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (collectively, the "Company Arrangements"). Except as otherwise expressly required by law (e.g., the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA")) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 3(c) or Section 4, as applicable.

(d) Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its subsidiaries.

4. Severance Payments.

(a) Termination for Cause, or Termination Upon Death, Disability or Resignation from the Company Without Good Reason. If Executive's employment shall terminate as a result of Executive's death pursuant to Section 3(a)(i), as a result of Disability pursuant to Section 3(a)(ii), for Cause pursuant to Section 3(a)(iii) or for Executive's resignation from the Company without Good Reason pursuant to Section 3(a)(iv), then Executive shall not be entitled to any severance payments or benefits, except as provided in Section 3(c).

(b) Termination without Cause, or Resignation from the Company with Good Reason. If Executive's employment terminates without Cause pursuant to Section 3(a)(iv), or pursuant to

Section 3(a)(v) due to Executive's resignation with Good Reason, then, subject to Executive signing on or before the twenty-first (21st) day following Executive's Separation from Service (as defined below) or in the event that such Separation from Service is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended) on or before the forty-fifth (45th) day following Executive's Separation from Service, and not revoking, a release of claims substantially in the form attached as Exhibit A to this Agreement (the "Release"), and Executive's continued compliance with Section 5, Executive shall receive, in addition to payments and benefits set forth in Section 3(c), the following:

(i) an amount in cash equal to 0.75 times the Annual Base Salary, payable in the form of salary continuation in regular installments over the nine (9)-month period following the date of Executive's Separation from Service (the "Severance Period") in accordance with the Company's normal payroll practices;

(ii) to the extent unpaid as of the Date of Termination, an amount of cash equal to any Annual Bonus earned by Executive for the Company's fiscal year prior to the fiscal year in which the Date of Termination occurs, as determined by the Board in its discretion based upon actual performance achieved, which Annual Bonus, if any, shall be paid to Executive in the fiscal year in which the Date of Termination occurs when bonuses for such prior fiscal year are paid in the ordinary course to actively employed senior executives of the Company; and

(iii) if Executive timely elects to receive continued medical, dental or vision coverage under one or more of the Company's group medical, dental or vision plans pursuant to COBRA, then the Company shall directly pay, or reimburse Executive for, the COBRA premiums for Executive and Executive's covered dependents under such plans, less the amount Executive would have had to pay to receive such coverage as an active employee based on the cost sharing levels in effect on the Date of Termination, during the period commencing on Executive's Separation from Service and ending upon the earliest of (X) the last day of the Severance Period, (Y) the date that Executive and/or Executive's covered dependents become no longer eligible for COBRA or (Z) the date Executive becomes eligible to receive medical, dental or vision coverage, as applicable, from a subsequent employer (and Executive agrees to promptly notify the Company of such eligibility). Notwithstanding the foregoing, if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating applicable law, incurring an excise tax or that the foregoing benefit may be discriminatory under Section 105(h) of the Code, the Company shall in lieu thereof provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's and Executive's covered dependents' group health coverage in effect on the Date of Termination (which amount shall be based on the premium for the first month of COBRA coverage), less the amount Executive would have had to pay to receive group health coverage as an active employee for Executive and Executive's covered dependents based on the cost sharing levels in effect on the Date of Termination, which payments shall be made regardless of whether Executive elects COBRA continuation coverage and shall commence in the month following the month in which the Date of Termination occurs and shall end on the earliest of (X) the last day of the Severance Period, (Y) the date that Executive and/or Executive's covered dependents become no longer eligible for COBRA or (Z) the date Executive becomes eligible to receive healthcare coverage from a subsequent employer (and Executive agrees to promptly notify the Company of such eligibility).

(c) Change in Control. In lieu of the payments and benefits set forth in Section 4(b), in the event Executive's employment terminates without Cause pursuant to Section 3(a)(iv), or due to Executive's resignation with Good Reason pursuant to Section 3(a)(v), in either case, within three (3)

months prior or twelve (12) months following the date of a Change in Control, subject to Executive signing on or before the twenty-first (21st) day following Executive's Separation from Service or in the event that such Separation from Service is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended) on or before the forty-fifth (45th) day following Executive's Separation from Service, and not revoking, the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 3(c), the following:

(i) an amount in cash equal to 1.00 times the sum of (A) the Annual Base Salary plus (B) the Target Annual Bonus, payable in equal installments over the twelve (12)-month period following the date of Executive's Separation from Service (the "CIC Severance Period") in accordance with the Company's normal payroll practices;

(ii) the payment set forth in Section 4(b)(ii);

(iii) the benefits set forth in Section 4(b)(iii), provided that the "Severance Period" will mean the CIC Severance Period; and

(iv) all unvested equity or equity-based awards held by Executive under any Company equity compensation plans that vest solely based on the passage of time shall immediately become one hundred percent (100%) vested (for the avoidance of doubt, with any such awards that vest in whole or in part based on the attainment of performance-vesting conditions being governed by the terms of the applicable award agreement).

(d) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 9 will survive the termination of Executive's employment and the termination of the Term.

5. Restrictive Covenants. As a condition to the effectiveness of this Agreement and Executive's employment by the Company, Executive will execute and deliver to the Company contemporaneously herewith the Employee Proprietary Information and Inventions Assignment Agreement attached hereto as Exhibit B (the "Restrictive Covenant Agreement"). Executive agrees to abide by the terms of the Restrictive Covenant Agreement, which are hereby incorporated by reference into this Agreement. Executive acknowledges that the provisions of the Restrictive Covenant Agreement will survive the termination of Executive's employment and the termination of the Term for the periods set forth in the Restrictive Covenant Agreement.

6. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any of its affiliates or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and applicable Company Arrangements, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

7. Certain Definitions.

(a) Cause. The Company shall have "Cause" to terminate Executive's employment hereunder upon:

(i) The Board's reasonable, good faith determination that Executive has refused to (A) substantially perform the duties associated with Executive's position with the Company or (B) carry out the reasonable and lawful instructions of the Board concerning duties or actions consistent with Executive's position with the Company;

(ii) Executive's breach of a material provision of this Agreement that, to the extent capable of cure, has remained uncured for a period of thirty (30) days following written notice from the Company;

(iii) Executive's conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for any felony or crime involving moral turpitude;

(iv) Executive's unlawful use (including being under the influence) or possession of illegal drugs on the Company's (or any of its affiliate's) premises or while performing Executive's duties and responsibilities under this Agreement; or

(v) Executive's commission of any act of fraud, embezzlement, misappropriation, willful misconduct, or breach of fiduciary duty against the Company or any of its affiliates.

(b) Change in Control. "Change in Control" shall have the meaning set forth in the Plan.

(c) Code. "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder.

(d) Date of Termination. "Date of Termination" shall mean (i) if Executive's employment is terminated by Executive's death, the date of Executive's death; or (ii) if Executive's employment is terminated pursuant to Section 3(a)(ii) – (vi) either the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 3(b), whichever is earlier.

(e) Disability. "Disability" shall mean, at any time the Company or any of its affiliates sponsors a long-term disability plan for the Company's employees, "disability" as defined in such long-term disability plan for the purpose of determining a participant's eligibility for benefits, *provided, however*, if the long-term disability plan contains multiple definitions of disability, "Disability" shall refer to that definition of disability which, if Executive qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether Executive has a Disability shall be made by the person or persons required to make disability determinations under the long-term disability plan. At any time the Company does not sponsor a long-term disability plan for its employees, "Disability" shall mean Executive's inability to perform, with or without reasonable accommodation, the essential functions of Executive's positions hereunder for a total of three (3) months during any six (6)-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company or its insurers and acceptable to Executive or Executive's legal representative, with such agreement as to acceptability not to be unreasonably withheld or delayed. Any refusal by Executive to submit to a medical examination for the purpose of determining Disability shall be deemed to constitute conclusive evidence of Executive's Disability.

(f) Good Reason. For the sole purpose of determining Executive's right to severance payments and benefits as described above, Executive's resignation will be with "Good Reason" if Executive resigns within ninety (90) days after any of the following events, unless Executive consents in writing to the applicable event: (i) a reduction in Executive's Annual Base Salary or Target Annual Bonus, other than a reduction of twenty percent (20%) or less of Executive's Annual Base Salary implemented as part of an across the board, proportionate reduction of base salaries for other members of the Company's management team, (ii) a material decrease in Executive's authority or areas of responsibility as are commensurate with Executive's title or position with the Company, (iii) the relocation of Executive's primary office to a location more than fifty (50) miles from Executive's primary office as of the date of this Agreement, or (iv) the Company's breach of a material provision of this Agreement. Notwithstanding the foregoing, no Good Reason will have occurred unless and until Executive has: (a) provided the Company, within sixty (60) days of Executive's knowledge of the occurrence of the facts and circumstances underlying the Good Reason event, written notice stating with specificity the applicable facts and circumstances underlying such finding of Good Reason; (b) provided the Company with an opportunity to cure the same within thirty (30) days after the receipt of such notice; and (c) the Company shall have failed to so cure within such period.

8. Parachute Payments.

(a) Notwithstanding any other provisions of this Agreement or any Company equity plan or agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 8(b)) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; provided, in case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(c) All determinations regarding the application of this Section 8 shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the "Independent Advisors"). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the

Code) or (ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

(d) In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 8, the excess amount shall be returned promptly by Executive to the Company.

9. Miscellaneous Provisions.

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the Commonwealth of Massachusetts without reference to the principles of conflicts of law of the Commonwealth of Massachusetts or any other jurisdiction that would result in the application of the laws of a jurisdiction other than the Commonwealth of Massachusetts, and where applicable, the laws of the United States.

(b) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(c) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to the Chief Executive Officer of the Company at the Company's headquarters,

(ii) If to Executive, to the last address that the Company has in its personnel records for Executive, or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile or PDF shall be deemed effective for all purposes.

(e) Entire Agreement. The terms of this Agreement and the Restrictive Covenant Agreement incorporated herein by reference as set forth in Section 5, are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral, including any prior employment offer letter or employment agreement between Executive and the Company. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal proceeding to vary the terms of this Agreement.

(f) Amendments; Waivers. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company. By an

instrument in writing similarly executed, Executive or a duly authorized officer of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy or power hereunder will preclude any other or further exercise of any other right, remedy or power provided herein or by law or in equity.

(g) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any," "all," "each," or "every" means "any and all" and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein," "hereof," "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

(h) Arbitration. Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by a binding arbitration process administered by JAMS/Endispute in Boston, Massachusetts. Such arbitration shall be conducted in accordance with the then-existing JAMS/Endispute Rules of Practice and Procedure, with the following exceptions if in conflict: (i) one arbitrator who is a retired judge shall be chosen by JAMS/Endispute; (ii) each Party to the arbitration will pay one-half of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (iii) arbitration may proceed in the absence of any Party if written notice (pursuant to the JAMS/Endispute rules and regulations) of the proceedings has been given to such Party. Each Party shall bear its own attorney's fees and expenses; provided that the arbitrator may assess the prevailing Party's fees and costs against the non-prevailing Party as part of the arbitrator's award. The Parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; *provided, however*, that nothing in this subsection shall be construed as precluding the bringing of an action for injunctive relief or specific performance as provided in this Agreement or the Restrictive Covenant Agreement. This dispute resolution process and any arbitration hereunder shall be confidential and neither any Party nor the neutral arbitrator shall disclose the existence, contents or results of such process without the prior written consent of all Parties, except where necessary or compelled in a court to enforce this arbitration provision or an award from such arbitration or otherwise in a legal proceeding. If JAMS/Endispute no longer exists or is otherwise unavailable, the Parties agree that the American Arbitration Association ("AAA") shall administer the arbitration in accordance with its then-existing rules as modified by this subsection. In such event, all references herein to JAMS/Endispute shall mean AAA. Notwithstanding the foregoing, Executive and the Company each have the right to resolve any issue or dispute over intellectual property rights by court action instead of arbitration.

(i) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the Term, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or

unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(j) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on the advice of counsel if any questions as to the amount or requirement of withholding shall arise.

(k) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service") and, except as provided below, any such compensation or benefits described in Section 4 shall not be paid, or, in the case of installments, shall not commence payment, until the sixtieth (60th) day following Executive's Separation from Service (the "First Payment Date"). Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the First Payment Date and the remaining payments shall be made as provided in this Agreement.

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) *Expense Reimbursements; In-Kind Benefits.* To the extent that any reimbursements or the provision of any in-kind benefits under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred. Executive will submit Executive's reimbursement request promptly following the date the expense is incurred, and the amount of expenses reimbursed or in-kind benefits provided in one year shall not affect the amount eligible for reimbursement or in-kind benefits to be provided in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code. Executive's right to reimbursement or in-kind benefits under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

10. Executive Acknowledgement.

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

LYRA THERAPEUTICS, INC.

By: /s/ Maria Palasis
Name: Maria Palasis
Title: CEO

EXECUTIVE

/s/ Richard Nieman
Richard Nieman

[Signature Page to Employment Agreement]

EXHIBIT A

Separation Agreement and Release

This Separation Agreement and Release (this "Release") is made by and between Richard Nieman ("Executive") and Lyra Therapeutics, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party"). Capitalized terms used but not defined in this Release shall have the meanings set forth in the Employment Agreement (as defined below).

WHEREAS, the Parties have previously entered into that certain Employment Agreement, dated as of June _____, 2022 (the "Employment Agreement") and that certain Employee Proprietary Information and Inventions Assignment Agreement, dated as of June __, 2022 (the "Restrictive Covenant Agreement"); and

WHEREAS, in connection with Executive's termination of employment with the Company or a subsidiary or affiliate of the Company effective _____, _____, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions and demands that Executive may have against the Company and any of the Releasees (as defined below), including, but not limited to, any and all claims arising out of or in any way related to Executive's employment with or separation from the Company or its subsidiaries or affiliates but, for the avoidance of doubt, nothing herein will be deemed to release any rights or remedies in connection with Executive's ownership of vested equity securities of the Company, vested benefits or Executive's right to indemnification by the Company or any of its affiliates pursuant to contract or applicable law (collectively, the "Retained Claims").

NOW, THEREFORE, in consideration of the severance payments and benefits described in Section 4 of the Employment Agreement, which, pursuant to the Employment Agreement, are conditioned on Executive's execution and non-revocation of this Release, and in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Severance Payments and Benefits; Salary and Benefits. The Company agrees to provide Executive with the severance payments and benefits described in Section [4(b)][4(c)] of the Employment Agreement, payable at the times set forth in, and subject to the terms and conditions of, the Employment Agreement. In addition, to the extent not already paid, and subject to the terms and conditions of the Employment Agreement, the Company shall pay or provide to Executive all other payments or benefits described in Section 3(c) of the Employment Agreement, subject to and in accordance with the terms thereof. The severance payments and benefits described in Section [4(b)][4(c)] of the Employment Agreement shall be provided in lieu of any Garden Leave payment (as such term is used in the Restrictive Covenants Agreement) and Executive will not be eligible to receive any Garden Leave payment.

2. Release of Claims. Executive agrees that, other than with respect to the Retained Claims, the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company, any of its direct or indirect subsidiaries and affiliates and any of its or their current and former officers, directors, equityholders, managers, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, subsidiaries, predecessor and successor corporations and assigns (collectively, the "Releasees"). Executive, on Executive's own behalf and on behalf of any of Executive's affiliated companies or entities and any of their respective heirs, family members, executors, agents and assigns, other than with respect to the Retained Claims, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute or pursue, any claim, complaint, charge, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts,

facts or damages that have occurred up until and including the date Executive signs this Release, including, without limitation:

(a)any and all claims relating to or arising from Executive's employment or service relationship with the Company or any of its direct or indirect subsidiaries or affiliates and the termination of that relationship;

(b)any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of any shares of stock or other equity interests of the Company or any of its affiliates, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state law and securities fraud under any state or federal law;

(c)any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d)any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Massachusetts Fair Employment Practices Act, M.G.L. c. 151B, § 1 et seq.; the Massachusetts Civil Rights Act, M.G.L. c. 12, §§ IIH and 111; the Massachusetts Equal Rights Act, M.G.L. c. 93, § 102 and M.G.L. c. 214, § IC; the Massachusetts Labor and Industries Act, M.G.L. c. 149, § 1 et seq.; the Massachusetts Privacy Act, M.G.L. c. 214, § 1B; and the Massachusetts Maternity Leave Act, M.G.L. c. 49, § 105D;

(e)any and all claims for violation of the federal or any state constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g)any claim for any loss, cost, damage or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Release;

(h)any and all claims arising out of the wage and hour and wage payments laws and regulations of the state or states in which Executive has provided service to the Company or any of its affiliates (including without limitation the Massachusetts Payment of Wages Law); and

(i) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not release claims that cannot be

released as a matter of law, including, but not limited to, Executive's right to report possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation and any right to receive an award for information provided thereunder, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company for discrimination (with the understanding that Executive's release of claims herein bars Executive from recovering such monetary relief from the Company or any Releasee for any alleged discriminatory treatment), claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law, claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, claims to any benefit entitlements vested as the date of separation of Executive's employment, pursuant to written terms of any employee benefit plan of the Company or its affiliates and Executive's right under applicable law and any Retained Claims. This Release further does not release claims for breach of Section 3(c) or Section 4 of the Employment Agreement.

3. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Executive signs this Release. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Release; (b) Executive has [twenty-one (21)][forty-five (45)] days within which to consider this Release, and the Parties agree that such time period to review this Release shall not be extended upon any material or immaterial changes to this Release; (c) Executive has seven (7) business days following Executive's execution of this Release to revoke this Release pursuant to written notice to the General Counsel of the Company; (d) this Release shall not be effective until after the revocation period has expired; and (e) nothing in this Release prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Release and returns it to the Company in less than the [twenty-one (21)][forty-five (45)] day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Release.

4. Restrictive Covenants. Executive acknowledges that Executive remains bound by the Restrictive Covenants Agreement, which is incorporated by reference herein as if re-executed along with this Release.

5. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable or void, this Release shall continue in full force and effect without said provision or portion of provision.

6. No Oral Modification. This Release may only be amended in a writing signed by Executive and a duly authorized officer of the Company.

7. Governing Law; Dispute Resolution. This Release shall be subject to the provisions of Sections 9(a), 9(c) and 9(h) of the Employment Agreement.

8. Effective Date. Executive understands that this Release shall become effective, irrevocable, and binding upon Executive on the day following the seventh (7th) business day from the date upon which Executive signs this Release, so long as Executive has not revoked it within the time period and in the manner specified in Section 3 above. Executive further understands that Executive will not be given any severance benefits under the Agreement unless this Release becomes effective pursuant to its terms.

9. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Release voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees. Executive acknowledges that: (a) Executive has read this Release; (b) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Release; (c) Executive has been represented in the preparation, negotiation and execution of this Release by legal counsel of Executive's own choice or has elected not to retain legal counsel; (d) Executive understands the terms and consequences of this Release and of the releases it contains; and (e) Executive is fully aware of the legal and binding effect of this Release.

IN WITNESS WHEREOF, the Parties have executed this Release on the respective dates set forth below.

EXECUTIVE

Dated:

Richard Nieman

LYRA THERAPEUTICS, INC.

Dated:

By:
Name:
Title:

EXHIBIT B

Restrictive Covenant Agreement

[attached]

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Maria Palasis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lyra Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

By: /s/ Maria Palasis, Ph.D.
Maria Palasis, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jason Cavalier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lyra Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

By: /s/ Jason Cavalier
Jason Cavalier
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lyra Therapeutics, Inc. (the "Company") for the period ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 9, 2022

By: /s/ Maria Palasis, Ph.D.
Maria Palasis, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lyra Therapeutics, Inc. (the "Company") for the period ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 9, 2022

By: /s/ Jason Cavalier
Jason Cavalier
Chief Financial Officer
(Principal Financial and Accounting Officer)