

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2021

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 001-36365

SCYNEXIS, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
1 Evertrust Plaza, 13th Floor
Jersey City, New Jersey
(Address of principal executive offices)

56-2181648
(I.R.S. Employer
Identification No.)

07302-6548
(Zip Code)

(201)-884-5485

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	SCYX	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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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, 2021, there were 23,217,909 shares of the registrant's Common Stock outstanding.

SCYNEXIS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2021

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SCYNEXIS, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 112,445	\$ 93,041
Prepaid expenses and other current assets	3,039	5,165
Inventory	92	—
Restricted cash	55	—
Total current assets	<u>115,631</u>	<u>98,206</u>
Other assets	1,413	573
Deferred offering costs	179	187
Restricted cash	218	273
Property and equipment, net	219	298
Intangible assets	572	—
Operating lease right-of-use asset (See Note 6)	2,899	2,999
Total assets	<u>\$ 121,131</u>	<u>\$ 102,536</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 5,946	\$ 4,639
Accrued expenses	3,374	4,141
Warrant liabilities	10,499	17,564
Operating lease liability, current portion (See Note 6)	60	52
Total current liabilities	<u>19,879</u>	<u>26,396</u>
Other liabilities	838	—
Warrant liabilities	24,452	33,592
Convertible debt and derivative liability (See Note 5)	11,996	16,516
Loan payable	28,376	—
Operating lease liability (See Note 6)	3,270	3,274
Total liabilities	<u>88,811</u>	<u>79,778</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, authorized 5,000,000 shares as of June 30, 2021 and December 31, 2020; 0 shares issued and outstanding as of June 30, 2021 and December 31, 2020	—	—
Common stock, \$0.001 par value, 100,000,000 shares authorized as of June 30, 2021 and December 31, 2020; 23,147,552 and 19,663,698 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	26	20
Additional paid-in capital	361,925	349,351
Accumulated deficit	(329,631)	(326,613)
Total stockholders' equity	<u>32,320</u>	<u>22,758</u>
Total liabilities and stockholders' equity	<u>\$ 121,131</u>	<u>\$ 102,536</u>

The accompanying notes are an integral part of the financial statements.

SCYNEXIS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	\$ —	\$ —	\$ 12,050	\$ —
Operating expenses:				
Research and development	4,734	8,469	11,682	18,335
Selling, general and administrative	12,774	3,357	19,468	5,966
Total operating expenses	17,508	11,826	31,150	24,301
Loss from operations	(17,508)	(11,826)	(19,100)	(24,301)
Other expense (income):				
Loss on extinguishment of debt	—	806	2,725	806
Amortization of debt issuance costs and discount	269	321	525	599
Interest income	(6)	(36)	(12)	(183)
Interest expense	445	319	659	529
Other income	(3)	(60)	(2)	(405)
Other expense	—	602	—	602
Warrant liabilities fair value adjustment	(15,271)	(3,560)	(16,567)	(8,329)
Derivative liabilities fair value adjustment	(462)	(693)	(372)	(1,393)
Total other income	(15,028)	(2,301)	(13,044)	(7,774)
Loss before taxes	(2,480)	(9,525)	(6,056)	(16,527)
Income tax benefit	(4,138)	(3,144)	(3,038)	(3,144)
Net income (loss)	\$ 1,658	\$ (6,381)	\$ (3,018)	\$ (13,383)
Net income (loss) per share attributable to common stockholders – basic				
Net income (loss) per share – basic	\$ 0.06	\$ (0.64)	\$ (0.12)	\$ (1.35)
Net loss per share attributable to common stockholders – diluted				
Net loss per share – diluted	\$ (0.22)	\$ (0.64)	\$ (0.44)	\$ (1.35)
Weighted average common shares outstanding – basic and diluted				
Basic	26,015,292	10,009,614	25,909,457	9,877,094
Diluted	26,487,973	10,009,614	26,505,808	9,877,094

The accompanying notes are an integral part of the financial statements.

SCYNEXIS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Six Months Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (3,018)	\$ (13,383)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	85	54
Stock-based compensation expense	940	821
Accretion of investments discount	—	(23)
Amortization of debt issuance costs and discount	525	599
Change in fair value of warrant liabilities	(16,567)	(8,329)
Change in fair value of derivative liabilities	(372)	(1,393)
Noncash operating lease expense for right-of-use asset	100	97
Loss on extinguishment of debt	2,725	806
Noncash consideration associated with common stock purchase agreement	—	602
Changes in operating assets and liabilities:		
Prepaid expenses, other assets, deferred costs, and other	1,914	1,069
Accounts payable, accrued expenses, and other	1,214	(3,833)
Net cash used in operating activities	(12,454)	(22,913)
Cash flows from investing activities:		
Maturities of investments	—	17,142
Purchases of property and equipment	—	(4)
Purchase of intangible assets	(251)	—
Purchases of investments	—	(14,235)
Net cash (used in) provided by investing activities	(251)	2,903
Cash flows from financing activities:		
Proceeds from common stock issued	3,431	2,751
Payments of offering costs and underwriting discounts and commissions	(78)	(123)
Proceeds from loan payable	30,000	—
Payments of loan payable issuance costs	(1,253)	—
Proceeds from common stock issuance under employee stock purchase plan	9	18
Repurchase of shares to satisfy tax withholdings	—	(73)
Proceeds from senior convertible notes	—	10,000
Payments of senior convertible notes issuance costs	—	(462)
Net cash provided by financing activities	32,109	12,111
Net increase (decrease) in cash, cash equivalents, and restricted cash	19,404	(7,899)
Cash, cash equivalents, and restricted cash at beginning of period	93,314	42,193
Cash, cash equivalents, and restricted cash at end of period	\$ 112,718	\$ 34,294
Supplemental cash flow information:		
Cash paid for interest	\$ 511	\$ 420
Cash received for interest	\$ 11	\$ 173
Noncash financing and investing activities:		
Common stock issued for settlement of senior convertible notes	\$ 7,452	\$ 2,784
Purchased intangible assets included in accounts payable and accrued expenses	\$ 321	\$ —
Deferred offering and issuance costs included in accounts payable and accrued expenses	\$ —	\$ 106
Common stock issued for commitment shares	\$ —	\$ 602
Reclass of warrant liability to additional paid in capital	\$ 298	\$ —
Reclass of deferred asset associated with issuance of loan payable to debt discount	\$ 390	\$ —

The accompanying notes are an integral part of the financial statements.

SCYNEXIS, INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Description of Business and Basis of Preparation

Organization

SCYNEXIS, Inc. (“SCYNEXIS” or the “Company”) is a Delaware corporation formed on November 4, 1999. SCYNEXIS is a biotechnology company, headquartered in Jersey City, New Jersey, pioneering innovative medicines to overcome and prevent difficult-to-treat and drug-resistant infections. The Company is developing its lead product candidate, ibrexafungerp, as a broad-spectrum, intravenous (IV)/oral agent for multiple fungal indications in both the community and hospital settings. In June 2021, the Company announced that the U.S. Food and Drug Administration (“FDA”) approved BREXAFEMME (ibrexafungerp 150mg tablets) for oral use in patients with vulvovaginal candidiasis (“VVC”), also known as vaginal yeast infection, and the Company has commenced the commercialization of BREXAFEMME in the U.S.

The Company has incurred significant losses and negative cash flows from operations since its initial public offering in May 2014 and expects to continue to incur losses and negative cash flows for the foreseeable future. As a result, the Company had an accumulated deficit of \$329.6 million at June 30, 2021 and limited capital resources to fund ongoing operations. These capital resources primarily comprised cash and cash equivalents of \$112.4 million at June 30, 2021. While the Company believes its capital resources are sufficient to fund the Company’s on-going operations for a period of at least 12 months subsequent to the issuance of the accompanying unaudited condensed consolidated financial statements, the Company’s liquidity could be materially affected over this period by, among other things: (1) its ability to raise additional capital through equity offerings, debt financings, or other non-dilutive third-party funding; (2) costs associated with new or existing strategic alliances, or licensing and collaboration arrangements; (3) negative regulatory events or unanticipated costs related to its development of ibrexafungerp; (4) its ability to commercialize ibrexafungerp for the treatment of vaginal yeast infections and; (5) any other unanticipated material negative events or costs. One or more of these events or costs could materially affect the Company’s liquidity. If the Company is unable to meet its obligations when they become due, the Company may have to delay expenditures, reduce the scope of its research and development programs, or make significant changes to its operating plan. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Intercompany balances and transactions are eliminated in consolidation.

Reverse Stock Split

On July 16, 2020, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the “Amendment”), which became effective on Friday, July 17, 2020, (a) implementing a 1-for-10 reverse stock split of the Company’s common stock and (b) decreasing the number of authorized shares of the Company’s common stock from 250,000,000 shares to 100,000,000 shares. All share and per share amounts presented in these unaudited condensed consolidated financial statements have been retroactively adjusted for the reverse stock split and certain items in the prior period financial statements have been revised to conform to the current presentation. The reverse stock split affected all shares of the Company’s common stock outstanding immediately prior to the effective time of the reverse stock split, as well as the number of shares of common stock available for issuance under the Company’s equity incentive plans. In addition, the reverse stock split effected a reduction in the number of shares of common stock issuable upon the conversion of outstanding convertible notes or upon the exercise of stock options or warrants outstanding.

New Jersey Technology Business Tax Certificate Transfer (NOL) Program

The New Jersey Technology Business Tax Certificate Transfer (NOL) program, administered by the New Jersey Economic Development Authority, enables approved biotechnology companies to sell their unused net operating losses (“NOLs”) and research and development tax credits to unaffiliated, profitable corporate taxpayers in the State of New Jersey. For the three and six months ended June 30, 2021, the Company recognized a \$4.1 million income tax benefit for the sale of a portion of the Company’s unused New Jersey NOLs and research and development credits.

Unaudited Interim Condensed Consolidated Financial Information

The accompanying unaudited condensed consolidated financial statements and notes have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”), as contained in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (the “Codification” or “ASC”) for interim financial information. In the opinion of management, the interim financial information includes all adjustments of a normal recurring nature necessary for a fair presentation of the results of operations, financial position, and cash flows. The results of operations

for the three and six months ended June 30, 2021, are not necessarily indicative of the results for the full year or the results for any future periods. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes set forth in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 29, 2021.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with US GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates include: determination of the fair value of stock-based compensation grants; the estimate of services and effort expended by third-party research and development service providers used to recognize research and development expense; and the estimates and assumptions utilized in measuring the fair values of the warrant and derivative liabilities each reporting period.

2. Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements and notes follow the same significant accounting policies as those described in the notes to the audited consolidated financial statements of the Company for the year ended December 31, 2020, except as described below.

Inventory

Inventory is stated at the lower of cost or net realizable value. Costs include amounts related to third party manufacturing. Prior to the regulatory approval of an investigational drug, the Company recognizes as research and development expense costs related to the manufacture of an investigational drug when incurred. Upon regulatory approval, the Company begins capitalizing such manufacturing expenses as inventory. For BREXAFEMME, capitalization of costs as inventory began upon regulatory approval on June 2, 2021.

Revenue Recognition

The Company has entered into arrangements involving the sale or license of intellectual property and the provision of other services. When entering into any arrangement involving the sale or license of intellectual property rights and other services, the Company determines whether the arrangement is subject to accounting guidance in ASC 606, *Revenue from Contracts with Customers* ("Topic 606"), as well as ASC 808, *Collaborative Arrangements* ("Topic 808"). If the Company determines that an arrangement includes goods or services that are central to the Company's business operations for consideration, the Company will then identify the performance obligations in the contract using the unit-of-account guidance in Topic 606. For a distinct unit-of-account that is within the scope of Topic 606, the Company applies all of the accounting requirements in Topic 606 to that unit-of-account, including the recognition, measurement, presentation and disclosure requirements. For a distinct unit-of-account that is not within the scope of Topic 606, the Company will recognize and measure the distinct unit-of-account based on other authoritative ASC Topics or on a reasonable, rational, and consistently applied policy election.

Analyzing the arrangement to identify performance obligations requires the use of judgment. In arrangements that include the sale or license of intellectual property and other promised services, the Company first identifies if the licenses are distinct from the other promises in the arrangement. If the license is not distinct, the license is combined with other services into a single performance obligation. Factors that are considered in evaluating whether a license is distinct from other promised services include, for example, whether the counterparty can benefit from the license without the promised service on its own or with other readily available resources and whether the promised service is expected to significantly modify or customize the intellectual property.

The Company classifies non-refundable upfront payments, milestone payments and royalties received for the sale or license of intellectual property as revenues within its statements of operations because the Company views such activities as being central to its business operations. For the sale of intellectual property that is distinct, fixed consideration and variable consideration are included in the transaction price and recognized in revenue immediately to the extent that it is probable that there would not be a significant reversal of cumulative revenue in the future. For the license of intellectual property that is distinct, fixed and variable consideration (to the extent there will not be a significant reversal in the future) are also recognized immediately in income, except for consideration received in the form of royalty or sales-based milestones, which is recorded when the customer's subsequent sales or usages occur. If the sale or license of intellectual property is not distinct, revenue is deferred and recognized over the estimated period of the Company's combined performance obligation. For contractual arrangements that meet the definition of a collaborative arrangement under Topic 808, consideration received for any units-of-account that are outside the scope of Topic 606 are recognized in the statements of operations by considering (i) the nature of the arrangement, (ii) the nature of the Company's business operations, and (iii) the contractual terms of the arrangement.

Basic and Diluted Net Income (Loss) per Share of Common Stock

The Company calculates net income (loss) per common share in accordance with ASC 260, *Earnings Per Share*. Basic net income (loss) per common share for the three and six months ended June 30, 2021 and 2020 was determined by dividing net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding during the period. Per ASC 260, *Earnings Per Share*, the weighted average number of common shares outstanding utilized for determining the basic net income (loss) per common share for the three and six months ended June 30, 2021 includes the pre-funded warrants to purchase 5,260,000 shares of common stock issued in the December 2020 Public Offering. Diluted net loss per common share for the three and six months ended June 30, 2021 and 2020 was determined as follows (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 1,658	\$ (6,381)	\$ (3,018)	\$ (13,383)
Dilutive effect of warrant liability	(7,415)	—	(8,739)	—
Net loss allocated to common shares	\$ (5,757)	\$ (6,381)	\$ (11,757)	\$ (13,383)
Weighted average common shares outstanding – basic	26,015,292	10,009,614	25,909,457	9,877,094
Dilutive effect of warrant liability	472,681	—	596,351	—
Weighted average common shares outstanding – diluted	26,487,973	10,009,614	26,505,808	9,877,094
Net loss per share – diluted	\$ (0.22)	\$ (0.64)	\$ (0.44)	\$ (1.35)

The following potentially dilutive shares of common stock have not been included in the computation of diluted net loss per share for the three and six months ended June 30, 2021 and 2020, as the result would be anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Outstanding stock options	1,607,080	781,685	1,607,080	781,685
Outstanding restricted stock units	134,774	84,929	134,774	84,929
Warrants to purchase common stock associated with June 2016 public offering	—	421,867	—	421,867
Warrants to purchase common stock associated with March 2018 public offering – Series 2	798,810	798,810	798,810	798,810
Warrants to purchase common stock associated with December 2019 Public Offering	4,472,205	4,472,205	4,472,205	4,472,205
Warrants to purchase common stock associated with December 2020 Public Offering - Series 2	6,800,000	—	6,800,000	—
Warrants to purchase common stock associated with Loan Agreement	170,410	—	170,410	—
Warrants to purchase common stock associated with Solar loan agreement	12,243	12,243	12,243	12,243
Common stock associated with March 2019 Notes	1,138,200	1,138,200	1,138,200	1,138,200
Common stock associated with April 2020 Notes	—	1,622,138	—	1,622,138
Total	15,133,722	9,332,077	15,133,722	9,332,077

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”). The amendments in ASU 2016-13 require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. In November 2019, the FASB issued ASU No. 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)* (“ASU 2019-10”), which revised the effective dates for ASU 2016-13 for public business entities that meet the SEC definition of a smaller reporting company to fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. As a smaller reporting company, the Company is currently evaluating the impact ASU 2016-13 will have on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options and Derivatives and Hedging—Contracts in Entity’s Own Equity: Accounting for Convertible Instruments and Contracts in and Entity’s Own Equity* (“ASU 2020-06”). The amendments in ASU 2020-06 reduce the number of accounting models for convertible debt

instruments and revises certain guidance relating to the derivative scope exception and earnings per share. The amendments in ASU 2020-06 are effective for public business entities that meet the definition of a SEC filer and a smaller reporting company for fiscal years beginning after December 15, 2023, and interim periods within those years. As a smaller reporting company, the Company is currently evaluating the impact ASU 2020-06 will have on its consolidated financial statements.

Recently Adopted Accounting Pronouncements

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes: Simplifying the Accounting for Income Taxes* (“ASU 2019-12”). ASU 2019-12 simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. This guidance was adopted by the Company in the first quarter of 2021 and it did not have a material impact on its unaudited condensed consolidated financial statements.

3. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	June 30, 2021	December 31, 2020
Prepaid research and development services	\$ 1,428	\$ 1,535
Prepaid insurance	761	362
Other prepaid expenses	481	19
Other receivables	—	2,876
Other current assets	369	373
Total prepaid expenses and other current assets	<u>\$ 3,039</u>	<u>\$ 5,165</u>

4. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	June 30, 2021	December 31, 2020
Accrued research and development expenses	\$ 1,045	\$ 991
Accrued employee bonus compensation	935	2,190
Other accrued expenses	1,394	960
Total accrued expenses	<u>\$ 3,374</u>	<u>\$ 4,141</u>

5. Borrowings

Loan Agreement

On May 13, 2021 (the “Closing Date”), the Company entered into a Loan and Security Agreement (the “Loan Agreement”) with Hercules Capital, Inc. (“Hercules”), as administrative agent and collateral agent (in such capacity, the “Agent”) and a lender, and Silicon Valley Bank, as a lender (“SVB,” and collectively with Hercules, the “Lenders”) for an aggregate principal amount of \$60.0 million (the “Term Loan”). Pursuant to the Loan Agreement, the Term Loan is available to the Company in four tranches, subject to certain terms and conditions.

Under the terms of the Loan Agreement, the Company received an initial tranche of \$20.0 million from the Lenders on the Closing Date. The second tranche of the Term Loan, consisting of up to an additional \$10.0 million, became available to the Company upon receipt of approval from the FDA of ibrexafungerp for the treatment of vaginal yeast infections (the “First Performance Milestone”) and was fully funded in June 2021. The third tranche of the Term Loan, consisting of an additional \$5.0 million, will be available to the Company upon (a) the First Performance Milestone and (b) the achievement of the primary endpoint from the Phase 3 study of ibrexafungerp in patients with recurrent vulvovaginal candidiasis, and will be available, if specified conditions are met, from September 30, 2021 through June 30, 2022. The fourth tranche of the Term Loan, consisting of up to an additional \$25.0 million, will be available to the Company from January 1, 2022 through December 31, 2023 in \$5.0 million increments, subject to certain terms and conditions, including in maintaining a ratio of total outstanding Term Loan principal to net product revenues for ibrexafungerp below a certain specified level for a given draw period. The Company estimated the fair value of the loan payable using a credit spread valuation model and Level 3 inputs which included an implied secured spread, risk free rate, and secured yield of 9.45%, 0.54%, and 9.99%, respectively. At June 30, 2021, the fair value of the loan payable is \$29.2 million.

The Term Loan will mature on March 3, 2025 (the “Maturity Date”); provided that, the Maturity Date shall be automatically extended to May 1, 2025 subject to the occurrence of certain conditions set forth in the Loan Agreement. The Term Loan bears interest at a variable annual rate equal to the greater of (a) 9.05% and (b) the Prime Rate (as reported in the Wall Street Journal) plus 5.80% (the “Interest Rate”). The Company may make payments of interest only through November 1,

2023, which may be extended to May 1, 2024 upon the achievement of the First Performance Milestone prior to November 1, 2023 and which is further extendable in quarterly increments until the Maturity Date, subject to continued compliance with the financial covenant of the Loan Agreement (the “interest-only period”). After the interest-only period, the principal balance and related interest will be required to be repaid in equal monthly installments and continuing until the Maturity Date.

The Loan Agreement contains customary closing fees, prepayment fees and provisions, events of default, and representations, warranties and covenants, including a financial covenant requiring the Company to maintain certain levels of trailing three-month net product revenue solely from the sale of ibrexafungerp commencing on June 30, 2022. The financial covenant will be waived at any time in which the Company maintains unrestricted and unencumbered cash in accounts maintained with SVB equal to at least 50.0% of the total outstanding Term Loan principal amount, subject to certain requirements.

Future principal debt payments on the currently outstanding loan payable as of June 30, 2021 are as follows (in thousands):

2021	\$	—
2022		—
2023		—
2024		20,737
2025		9,263
Total principal payments		30,000
Final fee due at maturity		1,185
Total principal and final fee payment		31,185
Unamortized discount and debt issuance costs		(2,809)
Less current portion		—
Loan payable, long term	\$	28,376

April 2020 Note Purchase Agreement

On April 9, 2020, the Company entered into the April 2020 Note Purchase Agreement with Puissance Life Science Opportunities Fund VI (“Puissance”) and issued and sold to Puissance \$10.0 million aggregate principal amount of its April 2020 Notes, resulting in net proceeds of approximately \$9.5 million after deducting \$0.5 million for an advisory fee and other issuance costs. At December 31, 2020, the fair value of the April 2020 Notes was \$7.4 million.

In January 2021, Puissance converted the remaining \$6.0 million of the April 2020 Notes for 959,080 shares of common stock. Upon conversion of the \$6.0 million of the April 2020 Notes, the Company recognized a \$2.7 million extinguishment loss which represents the difference between the total net carrying amount of the convertible debt and derivative liability of \$4.8 million and the fair value of the consideration issued of \$7.5 million.

March 2019 Note Purchase Agreement

On March 7, 2019, the Company entered into a Senior Convertible Note Purchase Agreement (the “March 2019 Note Purchase Agreement”) with Puissance. Pursuant to the March 2019 Note Purchase Agreement, on March 7, 2019, the Company issued and sold to Puissance \$16.0 million aggregate principal amount of its 6.0% Senior Convertible Notes due 2025 (“March 2019 Notes”), resulting in \$14.7 million in net proceeds after deducting \$1.3 million for an advisory fee and other issuance costs.

As of June 30, 2021, the Company’s March 2019 Notes consists of the convertible debt balance of \$9.8 million, presented net of the unamortized debt issuance costs allocated to the convertible debt of \$0.4 million, and the bifurcated embedded conversion option derivative liability of \$2.2 million. In connection with the Company’s issuance of its March 2019 Notes, the Company bifurcated the embedded conversion option, inclusive of the interest make-whole provision and make-whole fundamental change provision, and recorded the embedded conversion option as a long-term derivative liability in the Company’s balance sheet in accordance with ASC 815, *Derivatives and Hedging*, at its initial fair value of \$7.0 million as the interest make-whole provision is settled in shares of common stock. The convertible debt and derivative liability associated with the March 2019 Notes are presented in total on the accompanying unaudited condensed consolidated balance sheets as the convertible debt and derivative liability. The derivative liability will be remeasured at each reporting period using the binomial lattice model with changes in fair value recorded in the statements of operations in other (income) expense. For the three months ended June 30, 2021 and 2020, the Company recognized a gain of \$0.5 million and a loss of \$0.2 million, respectively, on the fair value adjustment for the derivative liability. For both the six months ended June 30, 2021 and 2020, the Company recognized gains of \$0.5 million on the fair value adjustment for the derivative liability. For both the three months ended June 30, 2021 and 2020, the Company recognized \$0.2 million in amortization of debt issuance costs and discount related to the March 2019 Notes. For both the six months ended June 30, 2021 and 2020, the Company recognized \$0.5 million in amortization of debt issuance costs and discount related to the March 2019 Notes.

The Company estimated the fair value of the convertible debt and derivative liability for the March 2019 Notes using a binomial lattice valuation model and Level 3 inputs. At June 30, 2021 and December 31, 2020, the fair value of the convertible debt and derivative liability for the March 2019 Notes is \$12.8 million and \$12.9 million, respectively.

The March 2019 Notes were issued and sold for cash at a purchase price equal to 100% of their principal amount, in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), due to the March 2019 Notes being issued to one financially sophisticated investor. The March 2019 Notes bear interest at a rate of 6.0% per annum payable semiannually in arrears on March 15 and September 15 of each year, beginning September 15, 2019. The March 2019 Notes will mature on March 15, 2025, unless earlier converted, redeemed or repurchased. The March 2019 Notes constitute general, senior unsecured obligations of the Company.

The holder of the March 2019 Notes may convert their March 2019 Notes at their option at any time prior to the close of business on the business day immediately preceding March 15, 2025 into shares of the Company's common stock. The initial conversion rate is 73.9096 shares of common stock per \$1,000 principal amount of March 2019 Notes, which is equivalent to an initial conversion price of approximately \$13.53 and is subject to adjustment in certain events described in the March 2019 Note Purchase Agreement. The Holder upon conversion may also be entitled to receive, under certain circumstances, an interest make-whole payment payable in shares of common stock. In addition, following certain corporate events that occur prior to the maturity date, the Company will, in certain circumstances, increase the conversion rate if the holder elects to convert its March 2019 Notes in connection with such a corporate event. Subject to adjustment in the conversion rate, the number of shares that the Company may deliver in connection with a conversion of the March 2019 Notes, including those delivered in connection with an interest make-whole payment, will not exceed a cap of 81 shares of common stock per \$1,000 principal amount of the March 2019 Notes.

On or after March 15, 2022, the Company has the right, at its election, to redeem all or any portion of the March 2019 Notes not previously converted if the last reported sale price per share of common stock exceeds 130% of the conversion price on each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice. The redemption price will be 100% of the principal amount of the March 2019 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. If a "fundamental change" (as defined in the March 2019 Note Purchase Agreement) occurs, then, subject to certain exceptions, the Company must offer to repurchase the March 2019 Notes for cash at a repurchase price of 100% of the principal amount of the March 2019 Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

6. Commitments and Contingencies

Leases

On March 1, 2018, the Company entered into a long-term lease agreement for approximately 19,275 square feet of office space in Jersey City, New Jersey, that the Company identified as an operating lease under ASC 842 (the "Lease"). The lease term is eleven years from August 1, 2018, the commencement date, with total lease payments of \$7.3 million over the lease term. The Company has the option to renew for two consecutive five-year periods from the end of the first term and the Company is not reasonably certain that the option to renew the Lease will be exercised. Under the Lease, the Company furnished a security deposit in the form of a standby letter of credit in the amount of \$0.3 million, which was reduced by fifty-five thousand dollars on the first anniversary of the commencement date. The security deposit will continue to be reduced by fifty-five thousand dollars every two years on the commencement date anniversary for eight years. The security deposit is classified as restricted cash in the accompanying unaudited condensed consolidated balance sheets.

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The consideration in the Lease allocated to the single lease component includes the fixed payments for the right to use the office space as well as common area maintenance. The Lease also contains costs associated with certain expense escalation, property taxes, insurance, parking, and utilities which are all considered variable payments and are excluded from the operating lease liability. The incremental borrowing rate utilized approximated the prevailing market interest rate the Company would incur to borrow a similar amount equal to the total Lease payments on a collateralized basis over the term of the Lease. The following table summarizes certain quantitative information associated with the amounts recognized in the unaudited condensed consolidated financial statements for the Lease (dollars in thousands):

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating lease cost	\$ 166	\$ 166	\$ 332	\$ 332
Variable lease cost	10	6	9	27
Total operating lease expense	<u>\$ 176</u>	<u>\$ 172</u>	<u>\$ 341</u>	<u>\$ 359</u>
Cash paid for amounts included in the measurement of operating lease liability	\$ 57	\$ 56	\$ 227	\$ 223

	June 30, 2021	December 31, 2020
Remaining Lease term (years)	8.09	8.59
Discount rate	15 %	15 %

Future minimum lease payments for the Lease as of June 30, 2021 are as follows (in thousands):

	June 30, 2021
2021	\$ 290
2022	527
2023	715
2024	730
2025	744
Thereafter	2,789
Total	<u>\$ 5,795</u>

The presentations of the operating lease liability as of June 30, 2021 are as follows (in thousands):

	June 30, 2021
Present value of future minimum lease payments	\$ 3,330
Operating lease liability, current portion	\$ 60
Operating lease liability, long-term portion	3,270
Total operating lease liability	<u>\$ 3,330</u>
Difference between future minimum lease payments and discounted cash flows	\$ 2,465

License Arrangement with Potential Future Expenditures

As of June 30, 2021, the Company had a license arrangement with Merck Sharp & Dohme Corp., or Merck, as amended, that involves potential future expenditures. Under the license arrangement, executed in May 2013, the Company exclusively licensed from Merck its rights to ibrexafungerp in the field of human health. In January 2014, Merck assigned the patents related to ibrexafungerp that it had exclusively licensed to the Company. Ibrexafungerp is the Company's lead product candidate. Pursuant to the terms of the license agreement, Merck was originally eligible to receive milestone payments from the Company that could total \$19.0 million upon occurrence of specific events, including initiation of a Phase 3 clinical study, new drug application, and marketing approvals in each of the U.S., major European markets, and Japan. In addition, Merck is eligible to receive tiered royalties from the Company based on a percentage of worldwide net sales of ibrexafungerp. The aggregate royalties are mid- to high-single digits.

In December 2014, the Company and Merck entered into an amendment to the license agreement that deferred the remittance of a milestone payment due to Merck, such that no amount would be due upon initiation of the first Phase 2 clinical

trial of a product containing the ibrexafungerp compound (the “Deferred Milestone”). The amendment also increased, in an amount equal to the Deferred Milestone, the milestone payment that would be due upon initiation of the first Phase 3 clinical trial of a product containing the ibrexafungerp compound. In December 2016 and January 2018, the Company entered into second and third amendments to the license agreement with Merck which clarified what would constitute the initiation of a Phase 3 clinical trial for the purpose of milestone payment. In January 2019, a milestone payment became due to Merck as a result of the initiation of the VANISH Phase 3 VVC program and was paid in March 2019. On December 2, 2020, the Company entered into a fourth amendment to the license agreement with Merck. The amendment eliminates two cash milestone payments that the Company would have paid to Merck upon the first filing of an NDA, triggered by the FDA acceptance for filing of the Company’s NDA for ibrexafungerp for the treatment of VVC, and first marketing approval in the U.S., anticipated in June 2021 for the Company’s NDA for ibrexafungerp for the treatment of VVC. Such cash milestone payments would have been creditable against future royalties owed to Merck on net sales of ibrexafungerp. With the amendment, these milestones will not be paid in cash and, accordingly, credits will not accrue. Pursuant to the amendment, the Company will also forfeit the credits against future royalties that it had accrued from a prior milestone payment already paid to Merck. All other key terms of the license agreement are unchanged.

Clinical Development Arrangements

The Company has entered into, and expects to continue to enter into, contracts in the normal course of business with various third parties who support its clinical trials, preclinical research studies, and other services related to its development activities. The scope of the services under these agreements can generally be modified at any time, and the agreement can be terminated by either party after a period of notice and receipt of written notice.

7. Stockholders’ Equity

Authorized, Issued, and Outstanding Common Stock

The Company’s authorized common stock has a par value of \$0.001 per share and consists of 100,000,000 shares as of June 30, 2021, and December 31, 2020; 23,147,552 and 19,663,698 shares were issued and outstanding at June 30, 2021, and December 31, 2020, respectively.

On July 16, 2020, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the “Amendment”), which became effective on Friday, July 17, 2020, (a) implementing a 1-for-10 reverse stock split of the Company’s common stock and (b) decreasing the number of authorized shares of the Company’s common stock from 250,000,000 shares to 100,000,000 shares.

The following table summarizes common stock share activity for the threeand six months ended June 30, 2021 and 2020 (dollars in thousands):

	Three Months Ended June 30, 2021				
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, March 31, 2021	20,625,637	\$ 21	\$ 357,192	\$ (331,289)	\$ 25,924
Net income	—	—	—	1,658	1,658
Stock-based compensation expense	—	—	542	—	542
Common stock issued, net of expenses	2,516,802	5	3,410	—	3,415
Common stock issued for vested restricted stock units	5,113	—	15	—	15
Vested Loan Agreement warrants	—	—	766	—	766
Balance, June 30, 2021	<u>23,147,552</u>	<u>\$ 26</u>	<u>\$ 361,925</u>	<u>\$ (329,631)</u>	<u>\$ 32,320</u>
	Six Months June 30, 2021				
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2020	19,663,698	\$ 20	\$ 349,351	\$ (326,613)	\$ 22,758
Net loss	—	—	—	(3,018)	(3,018)
Stock-based compensation expense	—	—	940	—	940
Common stock issued through employee stock purchase	2,184	—	9	—	9
Common stock issued, net of expenses	2,516,802	5	3,407	—	3,412
Common stock issued for conversion of April 2020 Notes	959,080	1	7,452	—	7,453
Common stock issued for vested restricted stock units	5,788	—	—	—	—
Vested Loan Agreement warrants	—	—	766	—	766
Balance, June 30, 2021	<u>23,147,552</u>	<u>\$ 26</u>	<u>\$ 361,925</u>	<u>\$ (329,631)</u>	<u>\$ 32,320</u>
	Three Months Ended June 30, 2020				
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, March 31, 2020	9,787,604	\$ 10	\$ 284,875	\$ (278,430)	\$ 6,455
Net loss	—	—	—	(6,381)	(6,381)
Stock-based compensation expense	—	—	410	—	410
Common stock issued for exercise of stock options	151	—	—	—	—
Common stock issued, net of expenses	303,038	—	2,463	—	2,463
Common stock issued for conversion of April 2020 Notes	316,461	—	2,784	—	2,784
Common stock issued for commitment shares	70,910	—	602	—	602
Common stock issued for vested restricted stock units	762	—	—	—	—
Balance, June 30, 2020	<u>10,478,927</u>	<u>\$ 10</u>	<u>\$ 291,134</u>	<u>\$ (284,811)</u>	<u>\$ 6,333</u>
	Six Months Ended June 30, 2020				
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2019	9,741,372	\$ 10	\$ 284,313	\$ (271,428)	\$ 12,895
Net loss	—	—	—	(13,383)	(13,383)
Stock-based compensation expense	—	—	821	—	821
Common stock issued through employee stock purchase plan and stock option plans	2,368	—	18	—	18

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Common stock issued, net of expenses	331,565	—	2,669	—	2,669
Common stock issued for conversion of April 2020 Notes	316,461	—	2,784	—	2,784
Common stock issued for Commitment Shares	70,910	—	602	—	602
Common stock issued for vested restricted stock units	16,250	—	(73)	—	(73)
Balance, June 30, 2020	<u>10,478,927</u>	<u>\$ 10</u>	<u>\$ 291,134</u>	<u>\$ (284,811)</u>	<u>\$ 6,333</u>

Shares Reserved for Future Issuance

The Company had reserved shares of common stock for future issuance as follows:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Outstanding stock options	1,607,080	830,343
Outstanding restricted stock units	134,774	29,087
Warrants to purchase common stock associated with June 2016 Public Offering	—	421,867
Warrants to purchase common stock associated with March 2018 Public Offering – Series 2	798,810	798,810
Warrants to purchase common stock associated with December 2019 Public Offering	4,472,205	4,472,205
Warrants to purchase common stock associated with December 2020 Public Offering - Series 1	6,439,866	6,800,000
Warrants to purchase common stock associated with December 2020 Public Offering - Series 2	6,800,000	6,800,000
Prefunded warrants to purchase common stock associated with December 2020 Public Offering	3,200,000	5,260,000
Warrants to purchase common stock associated with Loan Agreement	170,410	—
Warrants to purchase common stock associated with Solar loan agreement	12,243	12,243
For possible future issuance for the conversion of the March 2019 Notes	1,138,200	1,138,200
For possible future issuance for the conversion of the April 2020 Notes	—	1,299,790
For possible future issuance under 2014 Plan (Note 8)	217,923	146,488
For possible future issuance under Employee Stock Purchase Plan	6,652	5,895
For possible future issuance under 2015 Plan (Note 8)	250,950	14,050
Total common shares reserved for future issuance	<u>25,249,113</u>	<u>28,028,978</u>

Common Stock Purchase Agreement

On April 10, 2020, the Company entered into the Common Stock Purchase Agreement with Aspire Capital pursuant to which the Company has the right to sell to Aspire Capital from time to time in its sole discretion up to \$20.0 million in shares of the Company's common stock over the next 30 months, subject to certain limitations and conditions set forth in the Common Stock Purchase Agreement. The aggregate number of shares that we can sell to Aspire Capital under the Common Stock Purchase Agreement may in no case exceed 1,956,547 shares of the Company's common stock (which is equal to approximately 19.99% of the common stock outstanding on the date of the Common Stock Purchase Agreement), including the 70,910 commitment shares (the Exchange Cap), unless either (a) shareholder approval is obtained to issue more, in which case the Exchange Cap will not apply, or (b) the average purchase price of all shares sold under the Common Stock Purchase Agreement exceeds \$8.461; provided that at no time shall Aspire Capital (together with its affiliates) beneficially own more than 19.99% of the Company's common stock. During the three and six months ended June 30, 2021 and 2020, the Company did not sell any shares of its common stock under the Common Stock Purchase Agreement.

Warrants Associated with the March 2018, December 2019, and December 2020 Public Offerings

The outstanding warrants associated with the March 2018, December 2019, and December 2020 public offerings contain a provision where the warrant holder has the option to receive cash, equal to the Black-Scholes fair value of the remaining unexercised portion of the warrant, as cash settlement in the event that there is a fundamental transaction (contractually defined to include various merger, acquisition or stock transfer activities). Due to this provision, ASC 480, *Distinguishing Liabilities from Equity*, requires that these warrants be classified as liabilities. The fair values of these warrants have been determined using the Black-Scholes valuation model, and the changes in the fair value are recorded in the accompanying unaudited condensed consolidated statements of operations. During the three and six months ended June 30, 2021, 360,134 and 2,060,000 of the December 2020 public offering warrants and prefunded warrants were exercised for proceeds of \$2.6 million and \$2,000, respectively. During the three months ended June 30, 2021 and 2020, the Company recognized gains of \$15.3 million and \$3.6 million, respectively, in the warrant liabilities fair value adjustment. During the six months ended June 30, 2021 and 2020, the Company recognized gains of \$16.6 million and \$8.3 million, respectively, in the warrant liabilities fair

value adjustment. As of June 30, 2021 and 2020, the fair value of the warrant liabilities was \$35.0 million and \$51.2 million, respectively.

Warrants Associated with Loan Agreement

In connection with the entry into the Loan Agreement, the Company issued to each of Hercules and SVB a warrant (collectively, the “Warrants”) to purchase shares of the Company’s common stock, par value \$0.001 per share (the “Shares”). The amount of shares that may be purchased for the Warrants, collectively between Hercules and SVB, will not exceed 0.04 multiplied by the aggregate amount of the term loan advances, divided by the exercise price of the Warrants. At the closing of the Loan Agreement, the Company issued 113,607 warrants to purchase shares of the Company’s common stock and recognized the initial warrants at their relative fair value in shareholder’s equity. In accordance with ASC 815-40, the remaining warrants to purchase shares of the Company’s common stock at closing were recognized at their fair value as warrant liabilities given the variable settlement amount of the warrant shares.

Warrant Associated with Solar Loan

On the closing date of the Company’s previous loan agreement with Solar, pursuant to the loan agreement the Company issued to Solar the warrant to purchase an aggregate of up to 12,243 shares of the Company’s common stock at an exercise price of \$6.754 per share. The warrant will expire five years from the date of the grant. The warrant was classified as equity and recorded at its relative fair value at issuance in the stockholders’ equity section of the balance sheet.

8. Stock-based Compensation

Pursuant to the terms of the Company’s 2014 Equity Incentive Plan (“2014 Plan”), on January 1, 2021 and 2020, the Company automatically added 786,547 and 389,650 shares to the total number shares of common stock available for future issuance under the 2014 Plan, respectively. As of June 30, 2021, there were 17,923 shares of common stock available for future issuance under the 2014 Plan.

As of June 30, 2021, there were 250,950 shares of common stock available for future issuance under the Company’s 2015 Inducement Award Plan (“2015 Plan”). During the six months ended June 30, 2021 and 2020, there were options to purchase 158,100 and 17,500 shares of the Company’s common stock granted under the 2015 Plan, respectively. On April 30, 2021, the Company’s board of directors amended the 2015 Plan, and the share reserve for the 2015 Plan was increased from 90,000 to 500,000 shares of common stock.

The activity for the Company’s 2009 Stock Option Plan, 2014 Plan, and 2015 Plan, for the six months ended June 30, 2021, is summarized as follows:

	Number of Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (\$000)
Outstanding — December 31, 2020	830,343	\$ 21.52	7.71	\$ 96
Granted	797,050	\$ 7.39		
Forfeited/Cancelled	(20,313)	\$ 6.72		
Outstanding — June 30, 2021	1,607,080	\$ 14.70	8.37	\$ 175
Exercisable — June 30, 2021	576,904	\$ 26.62	6.79	\$ 18
Vested or expected to vest — June 30, 2021	1,607,080	\$ 14.70	8.37	\$ 175

Restricted stock unit (“RSU”) activity under the 2014 Plan and 2015 Plan for the six months ended June 30, 2021, is summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Non-vested at December 31, 2020	29,087	\$ 9.52
Granted	113,675	\$ 7.94
Vested	(5,788)	\$ 10.68
Forfeited	(2,200)	\$ 7.47
Non-vested at June 30, 2021	134,774	\$ 8.17

The fair value of RSUs is based on the market price of the Company's common stock on the date of grant. RSUs generally vest 25% annually over a four-year period from the date of grant. Upon vesting, the RSUs are net share settled to cover the required withholding tax with the remaining shares issued to the holder. The Company recognizes compensation expense for such awards ratably over the corresponding vesting period.

Compensation Cost

The compensation cost that has been charged against income for stock awards under the 2014 Plan and the 2015 Plan was \$0.5 million and \$0.4 million for the three months ended June 30, 2021 and 2020, respectively, and \$0.9 million and \$0.8 million for the six months ended June 30, 2021 and 2020, respectively. The total income tax benefit recognized in the statements of operations for share-based compensation arrangements was zero for each of the three and six months ended June 30, 2021 and 2020.

Stock-based compensation expense related to stock options is included in the following line items in the accompanying unaudited condensed consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Research and development	\$ 136	\$ 128	\$ 262	\$ 264
Selling, general and administrative	406	283	678	557
Total	<u>\$ 542</u>	<u>\$ 411</u>	<u>\$ 940</u>	<u>\$ 821</u>

9. Fair Value Measurements

The carrying amounts of certain financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, prepaid expenses and other current assets, accounts payable, and accrued expenses approximate their respective fair values due to the short-term nature of such instruments.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant judgments to be made. The following table summarizes the conclusions reached as of June 30, 2021 and December 31, 2020 for financial instruments measured at fair value on a recurring basis (in thousands):

	Balance	Fair Value Hierarchy Classification		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2021				
Cash	\$ 226	\$ 226	—	—
Restricted cash	273	273	—	—
Money market funds	112,219	112,219	—	—
Total assets	\$ 112,718	\$ 112,718	—	—
Warrant liabilities	\$ 34,951	—	—	\$ 34,951
Derivative liability	2,156	—	—	2,156
Total liabilities	\$ 37,107	—	—	\$ 37,107
December 31, 2020				
Cash	\$ 117	\$ 117	—	—
Restricted cash	273	273	—	—
Money market funds	92,924	92,924	—	—
Total assets	\$ 93,314	\$ 93,314	—	—
Warrant liabilities	\$ 51,156	—	—	\$ 51,156
Derivative liabilities	5,954	—	—	5,954
Total liabilities	\$ 57,110	—	—	\$ 57,110

The Company measures cash equivalents at fair value on a recurring basis. The fair value of cash equivalents is determined based on “Level 1” inputs, which consist of quoted prices in active markets for identical assets.

Level 3 financial liabilities consist of the warrant liabilities for which there is no current market such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate. The Company uses the Black-Scholes option valuation model to value the Level 3 warrant liabilities at inception and on subsequent valuation dates. This model incorporates transaction details such as the Company’s stock price, contractual terms, maturity, risk free rates, as well as volatility. The unobservable input for all of the Level 3 warrant liabilities includes volatility. The historical volatility of the Company, using its closing common stock prices, is utilized to reflect future volatility over the expected term of the warrants. At June 30, 2021, the range and weighted average of the Level 3 volatilities utilized in the Black-Scholes model to fair value the warrant liabilities were 67.6% to 77.2% and 73.7%, respectively. The Company utilizes a probability assessment to estimate the likelihood of vesting for the remaining Loan Agreement warrants and allocated the probability of occurrence percentage to the fair values calculated.

The Company uses the binomial lattice valuation model to value the Level 3 derivative liabilities at inception and on subsequent valuation dates. This model incorporates transaction details such as the Company’s stock price, contractual terms, dividend yield, risk-free rate, historical volatility, credit rating, market credit spread, and estimated effective yield. The unobservable inputs associated with the Level 3 derivative liabilities are adjusted equity volatility, market credit spread, and

estimated yield. As of June 30, 2021, these inputs were 61.3%, 1,397 basis points, and 14.6%, respectively. The senior convertible notes are initially fair valued using the binomial lattice model and with the straight debt fair value calculated using the discounted cash flow method. The discount for lack of marketability, 7.0% as of June 30, 2021, is applied to the value of the March 2019 Notes. The residual difference represents the fair value of the embedded derivative liabilities and the fair value of the embedded derivative liabilities are reassessed using the binomial lattice valuation model on a quarterly basis

A reconciliation of the beginning and ending balances for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows (in thousands):

	Warrant Liabilities
Balance – December 31, 2020	\$ 51,156
Loan Agreement warrants	362
Gain adjustment to fair value	(16,567)
Balance – June 30, 2021	<u>\$ 34,951</u>
	Derivative Liabilities
Balance – December 31, 2020	\$ 5,954
Adjustment for conversion of April 2020 Notes	(3,426)
Gain adjustment to fair value	(372)
Balance – June 30, 2021	<u>\$ 2,156</u>

10. License Agreement Revenue

In February 2021, the Company entered into an Exclusive License and Collaboration Agreement (the “Agreement”) with Hansoh (Shanghai) Health Technology Co., Ltd., and Jiangsu Hansoh Pharmaceutical Group Company Limited (collectively, “Hansoh”), pursuant to which the Company granted to Hansoh an exclusive license to research, develop and commercialize ibrexafungerp in the Greater China region, including mainland China, Hong Kong, Macau, and Taiwan (the “Territory”). The Company also granted to Hansoh a non-exclusive license to manufacture ibrexafungerp solely for development and commercialization in the Territory. Under the terms of the Agreement, Hansoh shall be responsible for the development, regulatory approval and commercialization of ibrexafungerp in the Territory.

Pursuant to the terms of the Agreement, the Company received as consideration for the licenses a nonrefundable upfront cash payment of \$0.0 million and is entitled to an additional payment that was payable upon the transfer of certain data related to the manufacturing license. In addition, the Company will also be eligible to receive up to \$110.0 million in potential development and commercial milestones. In addition, during the term of the licensing agreement, the Company is entitled to low double-digit royalties on net product sales. The obligation to pay royalties with respect to sales in a specified region will continue until the later of the date of expiration of all intellectual property and regulatory exclusivity for the product in the region and ten years from the first commercial sale, unless earlier terminated by Hansoh with advanced notice for convenience or under other specified circumstances. The Company is also eligible to receive a milestone related to the successful completion of a manufacturing batch by Hansoh.

The Company evaluated the Agreement and concluded that it was subject to ASC 606 as the Company viewed the Agreement as a contract with a customer as the activities were central to its business operations. As such, the Company assessed the terms of the Agreement and identified one performance obligation for the licenses to research, develop, manufacture and commercialize ibrexafungerp in the Territory, including the underlying know-how related to such licenses. The Company also evaluated options for additional goods and services included in the Agreement related to (1) optional technical assistance related to development, regulatory or manufacturing activities and (2) an optional supply agreement for ibrexafungerp. Such options for additional goods or services were not considered to contain material rights as pricing approximated standalone selling prices and therefore the Company concluded that such options did not represent performance obligations and will be accounted for as separate transactions if and when they occur in the future.

The Company determined that the transaction price of \$12.1 million included the fixed upfront cash payment of \$10.0 million, an additional amount that was payable upon the transfer of certain data related to the manufacturing license, and \$1.1 million related to withholding tax obligations that Hansoh remitted on behalf of the Company. The remaining amounts related to the successful completion of a manufacturing batch by Hansoh and potential development milestones represent variable consideration and were constrained as it was concluded that it was not probable that a significant reversal in cumulative revenue recognized will not occur and therefore not included in the transaction price as of June 30, 2021. Potential commercial milestones and royalties on net product sales will be recognized in the same period that the underlying net product sales occur as they were determined to relate to the license. The transaction price was recorded in revenue during the six months ended June 30, 2021 at a point in time upon control of the license transferring to Hansoh. The Company will reevaluate the transaction price at the end of each reporting period as uncertain events or resolved, or as other changes in circumstances occur.

Additionally, pursuant to the Agreement, both the Company and Hansoh agreed to make reasonable efforts to account for applicable taxes, fees, duties, levies, or similar amounts imposed on net income, franchise taxes and profits arising directly or indirectly from the activities of the Agreement. To the extent Hansoh is required by applicable laws to withhold or deduct any tax on any payment to the Company, Hansoh agreed to make certain increases on payments to the Company to ensure that the Company receives a sum equal to what the Company would have received had there been no deduction or withholding. As a result, the Company has recorded revenue and tax withholding expense primarily associated with the up-front payment received by the Company on a gross basis. For the six months ended June 30, 2021, the Company recognized \$1.1 million in revenue and \$1.1 million in income tax expense to account for the tax withholding expense primarily on the \$10.0 million up-front that the Company is responsible to remit under applicable tax law.

In July 2016, the Company entered into an asset purchase agreement with UK-based Cypralis Limited (or "Cypralis"), a life sciences company, for the sale of its cyclophilin inhibitor assets. Cypralis also acquired all patents, patent applications and know-how related to the acquired portfolio. In connection with the asset purchase agreement, the Company is eligible to receive milestone payments upon the successful progression of Cypralis clinical candidates into later stage clinical studies and royalties payable upon product commercialization. The Company retains the right to repurchase the portfolio assets from Cypralis if abandoned or deprioritized. For the three and six months ended June 30, 2021, there was no revenue recognized associated with this agreement given the variable consideration associated with the sale of intellectual property to Cypralis was fully constrained as of March 31, 2021. Additionally, in October 2014 the Company entered into a license agreement with Waterstone Pharmaceutical HK Limited (or "Waterstone") and granted Waterstone an exclusive, worldwide license to develop and commercialize certain non-strategic compounds. The Company is entitled to receive potential milestones and royalties from Waterstone; however, there was no revenue recognized by the Company associated with this agreement given the variable consideration was fully constrained as of June 30, 2021.

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

Operating results for the three and six months ended June 30, 2021, are not necessarily indicative of results that may occur in future interim periods or future fiscal years. Some of the statements in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are forward-looking statements. These forward-looking statements are based on management’s beliefs and assumptions and on information currently available to our management and involve significant elements of subjective judgment and analysis. Words such as “expects,” “will,” “anticipate,” “target,” “goal,” “intend,” “plan,” “seek,” “estimate,” “potential,” “should,” “could,” variations of such words, and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include those discussed under the heading “Risk Factors” in Item 1A of Part I of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 29, 2021, and in Part II, Item 1A of this Quarterly Report on Form 10-Q. These and many other factors could affect our future financial and operating results. We undertake no obligation to update any forward-looking statement to reflect events after the date of this Quarterly Report on Form 10-Q. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into or review of, all relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely on these statements.

Overview

SCYNEXIS, Inc. is pioneering innovative medicines to potentially help millions of patients worldwide in need of new options to overcome and prevent difficult-to-treat and drug-resistant infections. We are developing our lead product candidate, ibrexafungerp, as a broad-spectrum, intravenous (IV)/oral agent for multiple fungal indications in both the community and hospital settings. In June 2021, we announced that the U.S. Food and Drug Administration (FDA) approved BREXAFEMME[®] (ibrexafungerp 150mg tablets) for oral use in patients with vulvovaginal candidiasis (VVC), also known as vaginal yeast infection, and we have commenced the commercialization of BREXAFEMME in the U.S. We are also continuing late-stage clinical development of ibrexafungerp for the prevention of recurrent VVC as well as the treatment of life-threatening invasive fungal infections in hospitalized patients.

Ibrexafungerp, the first representative of a novel class of antifungal agents called triterpenoids and designated by the suffix “-fungerp”, is a structurally distinct glucan synthase inhibitor and has shown *in vitro* and *in vivo* activity against a broad range of human fungal pathogens such as *Candida* and *Aspergillus* species, including multidrug-resistant strains, as well as *Pneumocystis*, *Coccidioides*, *Histoplasma* and *Blastomyces* species. *Candida* and *Aspergillus* species are the fungi responsible for approximately 85% of all invasive fungal infections in the United States (U.S.) and Europe. To date, we have characterized the antifungal activity, pharmacokinetics, and safety profile of the oral and IV formulations of ibrexafungerp in multiple *in vitro*, *in vivo*, and clinical studies. The FDA has granted Qualified Infectious Disease Product (QIDP) and Fast Track designations to ibrexafungerp for the indications of VVC (including the treatment of VVC episodes and the prevention of recurrent VVC), invasive candidiasis (IC) (including candidemia), and invasive aspergillosis (IA), and has granted Orphan Drug designations for the IC and IA indications. These designations may provide us with additional market exclusivity and expedited regulatory paths.

BREXAFEMME Update

In June 2021, we announced that the FDA approved BREXAFEMME for oral use in patients with VVC with approval based on the positive results from two Phase 3, randomized, double-blind, placebo-controlled, multi-center studies (VANISH-303 and VANISH-306), in which oral ibrexafungerp demonstrated statistically superior efficacy compared to placebo and a favorable tolerability profile in women with VVC. The FDA granted BREXAFEMME five years of exclusivity extension under the Generating Antibiotic Incentives Now (GAIN) Act, which will be added to any other applicable exclusivity periods, such as the five years of new chemical entity (NCE) exclusivity, for a combined ten-year period of regulatory exclusivity. BREXAFEMME is also protected by multiple patents, including a composition-of-matter patent covering the ibrexafungerp molecule. With patent term extension, this patent is expected to expire in 2035, providing an expected 14 years of protection from generic competitors in the U.S.

Treatments for VVC have historically included several topical azole antifungals and oral fluconazole. Approximately 80% of VVC sufferers will have more than one yeast infection and over a third of women may have six yeast infections or more in a lifetime. There are over 17 million prescriptions written for VVC in the U.S. annually, all of which belong to a single drug class, the azoles. Additionally, of the 9.5 million women in the U.S. who received a prescription for VVC in the previous year, about 40% of them required multiple prescriptions, illustrating that many patients’ symptoms are not adequately addressed by existing azole treatments.

We have partnered with Amplity Inc. (Amplity), a leading global contract commercialization organization, to support the ongoing U.S. commercialization of BREXAFEMME for the treatment of VVC which commenced in August 2021. We are utilizing Amplity's commercial execution expertise and resources for sales force, remote engagement, training, market access and select operations services. BREXAFEMME is now available at pharmacies and our full sales team is in the field actively engaging healthcare providers (HCPs). An Early Experience Program was successfully implemented with key HCPs in July 2021, confirming the need for a new treatment option and their willingness to prescribe BREXAFEMME. The Pharmacy and Therapeutic (P&T) review process with payers continues to rapidly progress with many P&T meetings already scheduled.

Ibrexafungerp Update

Enrollment is complete in the CANDLE study, a Phase 3, multi-center, randomized, double-blind, placebo-controlled trial designed to evaluate the efficacy and safety of oral ibrexafungerp for the prevention of recurrent VVC, for which there is no approved therapy in the U.S. We expect the last-patient/last-visit for the CANDLE study by the end of 2021. We anticipate both top-line data and a potential supplemental NDA submission for the prevention of recurrent VVC in the first half of 2022, resulting in a potential approval in late 2022.

Enrollment is ongoing in our refractory invasive fungal infections (rIFI) program, which comprises two open-label Phase 3 studies (FURI and CARES) designed to support a potential future NDA submission for ibrexafungerp through the Limited Population Pathway for Antibacterial and Antifungal Drugs (LPAD), as well as our Phase 2 study (SCYNERGIA study) of oral ibrexafungerp in combination with voriconazole (SoC) in patients with IA. We intend to continue to enroll and analyze the data of patients that have completed the treatment course in our FURI and CARES studies.

Enrollment is ongoing in our Phase 1, randomized, double-blind, placebo-controlled study to evaluate the safety, tolerability, and pharmacokinetics of the IV liposomal formulation of ibrexafungerp in healthy subjects. The study is being conducted in South Africa and dosing started in March 2021.

Impact of COVID-19 Pandemic on Our Business

A novel strain of coronavirus (COVID-19) was first identified in December 2019, and subsequently declared a global pandemic by the World Health Organization on March 11, 2020. The full extent of the future impacts of COVID-19 on our operations is uncertain. We have continued to monitor the COVID-19 situation closely and have not identified any significant adverse effects on our business.

Corporate Update

In May 2021, we entered into a Loan and Security Agreement (the Loan Agreement) with Hercules Capital, Inc. (Hercules), as administrative agent and collateral agent (in such capacity, the Agent) and a lender, and Silicon Valley Bank, as a lender (SVB), and collectively with Hercules, the Lenders) for an aggregate principal amount of \$60.0 million (the Term Loan). We received \$20.0 upon closing of the Loan Agreement and \$10.0 million upon the FDA approval of BREXAFEMME for oral use in patients with VVC. Pursuant to the Loan Agreement, the Term Loan is now available to us in two additional tranches, subject to certain terms and conditions.

In May 2021, we entered into an agreement with a third party to sell a portion of our unused New Jersey NOLs and research and development credits for approximately \$4.2 million.

In February 2021, we partnered with Amplity Inc. (Amplity) for the ongoing commercial launch of BREXAFEMME for the treatment of VVC. Under the terms of the 5-year agreement, we are utilizing Amplity's commercial execution expertise and resources for sales force, remote engagement, training, market access and select operations services. Amplity is deferring a portion of its direct service costs in the first two years (2021 and 2022), which we will repay over three years starting in 2023. Amplity has the potential to earn a performance-based success fee in the 2023-2025 time frame by exceeding certain revenue targets.

In February 2021, we entered into an Exclusive License and Collaboration Agreement (the Hansoh Agreement) with Hansoh (Shanghai) Health Technology Co., Ltd., and Jiangsu Hansoh Pharmaceutical Group Company Limited (collectively, Hansoh), pursuant to which Hansoh obtains an exclusive license from us to research, develop and commercialize ibrexafungerp in the Greater China region, including mainland China, Hong Kong, Macau, and Taiwan. Under the terms of the Hansoh Agreement, Hansoh shall be responsible for the development, regulatory approval and commercialization of ibrexafungerp in Greater China. We received a \$10.0 million upfront payment in the first quarter of 2021 and will also be eligible to receive development and commercial milestones, plus low double-digit royalties on net product sales.

Liquidity

We have operated as a public entity since we completed our initial public offering (IPO) of our common stock in May 2014. We also completed a follow-on public offering of our common stock in April 2015 and public offerings of our common

stock and warrants in June 2016, March 2018, December 2019, and December 2020. As of June 30, 2021, we had received an aggregate of \$253.2 million in net proceeds from the issuance of our common stock and warrants in these six offerings. Our principal source of liquidity is cash and cash equivalents, which totaled \$112.4 million as of June 30, 2021, and availability to issue up to \$17.3 million of our common stock under our common stock purchase agreement with Aspire Capital. We received \$30.0 million under our Term Loan and could potentially be eligible to receive up to an additional \$30.0 million, subject to certain terms and conditions.

We have incurred net losses since our inception, including the year ended December 31, 2020, and the six months ended June 30, 2021. As of June 30, 2021, our accumulated deficit was \$329.6 million. We anticipate that we will continue to incur losses for at least the next several years. We expect we will continue to incur significant research and development expense as we continue to execute our research and drug development strategy, but that our research and development expenses will decrease primarily given the completion of the VANISH Phase 3 registration program and the completion of enrollment in the CANDLE Phase 3 study. Consistent with our operating plan, we also expect that we will continue to incur significant selling, general and administrative expenses to support our public reporting company operations, and that our selling, general and administrative expenses will increase to support the ongoing commercial launch of BREXAFEMME for the VVC indication and our ongoing operations. As a result, we will need additional capital to fund our operations, which we may obtain through one or more of equity offerings, debt financings, other non-dilutive third-party funding (e.g., grants, and New Jersey Technology Business Tax Certificate Transfer (NOL) Program), strategic alliances and licensing or collaboration arrangements. We may offer shares of our common stock pursuant to our shelf registrations, and the common stock purchase agreement with Aspire Capital.

Collaborations and Licensing Agreements

We are party to a number of licensing and collaboration agreements with partners in human health, including: (1) Merck, a pharmaceutical company, under which we exclusively licensed the rights to ibrexafungerp in the field of human health, and agreed to pay Merck milestones upon the occurrence of specified events as well as tiered royalties based on worldwide sales of ibrexafungerp when and if it is approved (in 2014, Merck assigned to us the patents related to ibrexafungerp that it had exclusively licensed to us and, as contemplated by the agreement, we will continue to pay milestones and royalties); (2) Hansoh, a pharmaceutical company, which we exclusively provide a license from us to research, develop and commercialize ibrexafungerp in the Greater China region, including mainland China, Hong Kong, Macau, and Taiwan, under which we are entitled to receive development and commercial milestones and royalties (3) R-Pharm, CJSC, or "R-Pharm," a leading supplier of hospital drugs in Russia, granting it exclusive rights in the field of human health to develop and commercialize ibrexafungerp in Russia and several non-core markets, under which we are entitled to receive potential milestones and royalties and reimbursement for certain development costs incurred by us; (4) Waterstone, an international pharmaceutical business, granting Waterstone exclusive worldwide rights to development and commercialization of SCY-635 for the treatment of viral diseases in humans, under which we are entitled to receive potential milestones and royalties; and (5) Cypralis Limited, or "Cypralis," a life sciences company, transferring to it certain cyclophilin inhibitor assets of ours, under which we are eligible to receive milestone payments upon the successful progression of certain Cypralis clinical candidates into later stage clinical studies and royalties payable upon product commercialization.

Components of Operating Results

Revenue

Revenue primarily consists of a non-refundable upfront payment received under our license agreement with Hansoh.

Research and Development Expense

Research and development expense consists of expenses incurred while performing research and development activities to discover, develop, or improve potential product candidates we seek to develop. This includes conducting preclinical studies and clinical trials, manufacturing and other development efforts, and activities related to regulatory filings for product candidates. We recognize research and development expenses as they are incurred. Our research and development expense primarily consists of:

- costs related to executing preclinical and clinical trials, including development milestones, drug formulation, manufacturing and other development;
- salaries and personnel-related costs, including benefits and any stock-based compensation, for personnel in research and development functions;
- fees paid to consultants and other third parties who support our product candidate development and intellectual property protection;

- other costs in seeking regulatory approval of our products; and
- allocated overhead.

Our ibrexafungerp project was the only significant research and development project during the periods presented. We expect to continue to incur significant research and development expense for the foreseeable future as we continue our effort to develop ibrexafungerp, and to potentially develop our other product candidates, subject to the availability of additional funding.

The successful development of product candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing or costs required to complete the remaining development of any product candidates. This is due to the numerous risks and uncertainties associated with the development of product candidates.

Selling, General and Administrative Expense

Selling, general and administrative expense consists primarily of salaries and personnel-related costs, including employee benefits and any stock-based compensation. This includes personnel in executive, finance, human resources, business development, medical affairs, marketing, and administrative support functions. Other expenses include facility-related costs not otherwise allocated to research and development expense, professional fees for accounting, auditing, tax and legal services, consulting costs for general and administrative purposes, information systems maintenance and marketing efforts.

Other Expense (Income)

All of our other income recognized in the three and six months ended June 30, 2021 and 2020, consists of amortization of debt issuance costs and discount, interest income, interest expense, other income, the warrant liabilities fair value adjustment, the derivative liabilities fair value adjustment, and the loss recognized for the extinguishment of debt.

Income Tax (Benefit) Expense

All of our income tax (benefit) expense recognized in the three and six months ended June 30, 2021 consists of an income tax benefit associated with the sale of our NOLs and research and development credits and tax withholding expense associated with the upfront payment received from Hansoh.

Results of Operations for the Three Months Ended June 30, 2021 and 2020

The following table summarizes our results of operations for the three months ended June 30, 2021 and 2020, together with the changes in those items in dollars and percentage (dollars in thousands):

	Three Months Ended June 30,			
	2021	2020	Period-to-Period Change	
	\$	\$	\$	%
Revenue	—	—	—	—
Operating expenses:				
Research and development	4,734	8,469	(3,735)	(44.1) %
Selling, general and administrative	12,774	3,357	9,417	280.5 %
Total operating expenses	17,508	11,826	5,682	48.0 %
Loss from operations	(17,508)	(11,826)	(5,682)	48.0 %
Other expense (income):				
Loss on extinguishment of debt	—	806	(806)	(100.0) %
Amortization of debt issuance costs and discount	269	321	(52)	(16.2) %
Interest income	(6)	(36)	30	(83.3) %
Interest expense	445	319	126	39.5 %
Other income	(3)	(60)	57	(95.0) %
Other expense	—	602	(602)	(100.0) %
Warrant liabilities fair value adjustment	(15,271)	(3,560)	(11,711)	329.0 %
Derivative liabilities fair value adjustment	(462)	(693)	231	(33.3) %
Total other income	(15,028)	(2,301)	(12,727)	553.1 %
Loss before taxes	(2,480)	(9,525)	7,045	(74.0) %
Income tax benefit	(4,138)	(3,144)	(994)	31.6 %
Net income (loss)	\$ 1,658	\$ (6,381)	\$ 8,039	(126.0) %

Research and Development. For the three months ended June 30, 2021, research and development expenses decreased to \$4.7 million compared to \$8.5 million for the three months ended June 30, 2020. The decrease of \$3.8 million, or 44%, for the three months ended June 30, 2021, was primarily driven by a decrease of \$1.5 million in chemistry, manufacturing, and

controls (CMC) expense, a decrease of \$1.4 million in clinical development expense, a decrease of \$0.3 million in preclinical expense, a decrease of \$0.2 million in regulatory expense, and a net decrease in other research and development expense of \$0.4 million.

The \$1.5 million decrease in CMC for the three months ended June 30, 2021, was primarily driven by a \$0.9 million expense recognized during the three months ended June 30, 2020 for drug product shipped in the period. The \$1.4 million decrease in clinical development expense for the three months ended June 30, 2021, was primarily driven by a decrease of \$0.8 million and \$0.5 million in expense associated with our CANDLE Phase 3 study and the VANISH Phase 3 program, respectively. Additionally, we incurred a decrease of \$0.3 million in expense associated with the SCYNERGIA study. The \$0.3 million decrease in preclinical expenses was primarily driven by a \$0.3 million decrease in certain pharmacokinetic and preclinical expenses incurred during the prior year comparable quarter.

Selling, General & Administrative. For the three months ended June 30, 2021, selling, general and administrative expenses increased to \$12.8 million from \$3.4 million for the three months ended June 30, 2020. The increase of \$9.4 million, or 281%, for the three months ended June 30, 2021, was primarily driven by a \$5.8 million increase in commercial related expense associated with the ongoing commercialization of BREXAFEMME, an increase of \$1.1 million in salary related costs, an increase of \$1.0 million in medical affairs expense, an increase of \$0.8 million in expense associated with increased information technology costs, and a net increase of \$0.7 million in other selling, general and administrative expense.

Amortization of Debt Issuance Costs and Discount. For both the three months ended June 30, 2021 and 2020, we recognized \$0.3 million in amortization of debt issuance costs and discount. The 2021 and 2020 debt issuance costs and discount for both the April 2020 and March 2019 convertible notes primarily consisted of an allocated portion of advisory fees and other issuance costs.

Interest Income. For the three months ended June 30, 2021 and 2020, we recognized \$6,000 and \$36,000, respectively, in interest income primarily on our money market fund.

Interest Expense. For the three months ended June 30, 2021 and 2020, we recognized \$0.4 million and \$0.3 million in interest expense. The interest expense recognized in both periods is primarily associated with the Loan Agreement and the April 2020 and March 2019 convertible notes.

Other Income. For the three months ended June 30, 2020, we recognized \$0.1 million in other income associated with certain research and development tax credits.

Other Expense. For the three months ended June 30, 2020, we recognized \$0.6 million in expense associated with the noncash consideration associated with the common stock purchase agreement with Aspire Capital.

Warrant Liabilities Fair Value Adjustment. For the three months ended June 30, 2021 and 2020, we recognized gains of \$15.3 million and \$3.6 million, respectively, in the fair value adjustment related to the warrant liabilities primarily due to the decrease in our stock price during the quarter.

Derivative Liabilities Fair Value Adjustment. For the three months ended June 30, 2021 and 2020, we recognized gains of \$0.5 million and \$0.7 million, respectively, in the fair value adjustment related to the derivative liabilities primarily due to the decrease in our stock price during the quarter.

Income Tax Benefit. For the three months ended June 30, 2021, we recognized a \$4.1 million income tax benefit associated with the sale of a portion of our NOLs and research and development credits, compared to a \$3.1 million income tax benefit associated with the sale of a portion of our NOLs and research and development credits in the three months ended June 30, 2020.

Results of Operations for the Six Months Ended June 30, 2021 and 2020

	Six Months Ended June 30,			
	2021	2020	Period-to-Period Change	
Revenue	\$ 12,050	\$ —	\$ 12,050	— %
Operating expenses:				
Research and development	11,682	18,335	(6,653)	(36.3) %
Selling, general and administrative	19,468	5,966	13,502	226.3 %
Total operating expenses	31,150	24,301	6,849	28.2 %
Loss from operations	(19,100)	(24,301)	5,201	(21.4) %
Other expense (income):				
Loss on extinguishment of debt	2,725	806	1,919	238.1 %
Amortization of debt issuance costs and discount	525	599	(74)	(12.4) %
Interest income	(12)	(183)	171	(93.4) %
Interest expense	659	529	130	24.6 %
Other income	(2)	(405)	403	(99.5) %
Other expense	—	602	(602)	(100.0) %
Warrant liabilities fair value adjustment	(16,567)	(8,329)	(8,238)	98.9 %
Derivative liabilities fair value adjustment	(372)	(1,393)	1,021	(73.3) %
Total other income	(13,044)	(7,774)	(5,270)	67.8 %
Loss before taxes	(6,056)	(16,527)	10,471	(63.4) %
Income tax benefit	(3,038)	(3,144)	106	(3.4) %
Net loss	\$ (3,018)	\$ (13,383)	\$ 10,365	(77.4) %

Revenue. Revenue in the six months ended June 30, 2021, consists primarily of a non-refundable upfront payment received under our license agreement with Hansoh.

Research and Development. For the six months ended June 30, 2021, research and development expenses decreased to \$11.7 million from \$18.3 million for the six months ended June 30, 2020. The decrease of \$6.7 million, or 36%, for the six months ended June 30, 2021, was primarily driven by a decrease of \$3.5 million in clinical development expense, a decrease of \$2.4 million in chemistry, manufacturing, and controls (CMC) expense, a decrease of \$0.7 million in preclinical expense, a decrease of \$0.2 million in regulatory expense, offset by a net increase of \$0.1 million in other research and development expense.

The \$3.5 million decrease in clinical development expense for the six months ended June 30, 2021, was primarily driven by a decrease of \$1.2 million and \$0.9 million in expense associated with the VANISH Phase 3 program and CANDLE study, respectively. Additionally, we incurred a decrease of \$1.0 million and \$0.9 million in expense associated with two drug-drug interaction studies to support the NDA for the treatment of vaginal yeast infections and the SCYNERGIA study, respectively. The \$2.4 million decrease in CMC for the six months ended June 30, 2021, was primarily driven by \$2.1 million in expense recognized during the six months ended June 30, 2020 for drug product shipped in the period. The \$0.7 million decrease in preclinical expenses was primarily driven by a \$0.7 million decrease in certain pharmacokinetic and preclinical expenses incurred during the prior comparable period.

Selling, General & Administrative. For the six months ended June 30, 2021, selling, general and administrative expenses increased to \$19.5 million from \$6.0 million for the six months ended June 30, 2020. The increase of \$13.5 million, or 226%, for the six months ended June 30, 2021 was primarily driven by a \$7.3 million increase in commercial related expense, an increase of \$1.4 million in salary related costs, an increase of \$1.3 million in expense associated with increased information technology, and an increase of \$1.0 million in medical affairs expense, all primarily due to the costs recognized to support the ongoing commercialization of BREXAFEMME. The increase for the six months ended June 30, 2021, was also driven by an increase of \$1.2 million in business development expense associated with the licensing agreement entered into with Hansoh in February 2021, a \$0.8 million increase in certain professional fees, and a net increase of \$0.5 million in other selling, general and administrative expense.

Loss on Extinguishment of Debt. For the six months ended June 30, 2021, we recognized \$2.7 million in loss on extinguishment of debt associated with the January 2021 conversion of our remaining April 2020 convertible notes.

Amortization of Debt Issuance Costs and Discount. For the six months ended June 30, 2021 and 2020, we recognized \$0.5 million and \$0.6 million in amortization of debt issuance costs and discount. The 2021 and 2020 debt issuance costs and

discount for both the April 2020 and March 2019 convertible notes primarily consisted of an allocated portion of advisory fees and other issuance costs.

Interest Income. For the six months ended June 30, 2021 and 2020, we recognized \$12,000 and \$0.2 million, respectively, in interest income. The decrease was primarily due to the maturity of all our short-term investments during 2020.

Interest Expense. For the six months ended June 30, 2021 and 2020, we recognized \$0.7 million and \$0.5 million in interest expense, respectively. The interest expense recognized in the periods is primarily associated with the Loan Agreement and the April 2020 and March 2019 convertible notes.

Other Income. For the six months ended June 30, 2020, we recognized \$0.4 million in other income associated with certain research and development tax credits.

Other Expense. For the six months ended June 30, 2020, we recognized \$0.6 million in expense associated with the noncash consideration associated with the common stock purchase agreement with Aspire Capital.

Warrant Liabilities Fair Value Adjustment. For the six months ended June 30, 2021 and 2020, we recognized gains of \$16.6 million and \$8.3 million, respectively, in the fair value adjustment related to the warrant liabilities primarily due to the decrease in our stock price during the quarter.

Derivative Liabilities Fair Value Adjustment. For the six months ended June 30, 2021 and 2020, we recognized gains of \$0.4 million and \$1.4 million, respectively, in the fair value adjustment related to the derivative liabilities primarily due to the decrease in our stock price during the quarter.

Income Tax Benefit. For the six months ended June 30, 2021, we recognized a \$4.1 million income tax benefit associated with the sale of a portion of our NOLs and research and development credits and \$1.1 million of tax withholding expense primarily associated with the upfront payment received from Hansoh. For the six months ended June 30, 2020, we recognized a \$3.1 million income tax benefit associated with the sale of a portion of our NOLs and research and development credits.

Liquidity and Capital Resources

Sources of Liquidity

Through June 30, 2021, we have primarily funded our operations from net proceeds from equity and debt issuances and through revenue from development services. As of June 30, 2021, we had cash and cash equivalents of \$112.4 million, compared to cash and cash equivalents of \$93.0 million as of December 31, 2020. The increase in our cash and cash equivalents was primarily due to the \$28.7 million in net proceeds received from the Loan Agreement and the \$10.0 million cash receipt from Hansoh, offset in part by our increase in selling, general and administrative expenses to support the ongoing commercial launch of BREXAFEMME for the treatment of vaginal yeast infections and the continued development costs associated with ibrexafungerp. We have incurred annual net losses since our inception, and we incurred a net loss during the six months ended June 30, 2021. As of June 30, 2021, our accumulated deficit was \$329.6 million.

We expect that we will continue to incur losses for at least the foreseeable future. Consistent with our operating plan, we expect our research and development expenses to decrease primarily given the completion of the VANISH Phase 3 registration program and the completion of enrollment in our CANDLE study and we expect our selling, general and administrative expenses to increase to support the ongoing commercial launch for the treatment of vaginal yeast infections and our ongoing operations. As a result, we may need additional capital to fund our operations, which we may obtain through one or more of equity offerings, debt financings, or other non-dilutive third-party funding (e.g., grants, and New Jersey Technology Business Tax Certificate Transfer (NOL) Program), strategic alliances and licensing or collaboration arrangements. We may offer shares of our common stock pursuant to our shelf registrations, including the related at-the-market facility entered into on May 17, 2021 with Cantor and Ladenburg, and the common stock purchase agreement entered into on April 10, 2020 with Aspire Capital. During the six months ended June 30, 2021, we sold 96,668 shares and received net proceeds of \$0.8 million under our at-the-market facility and issued 2,420,134 shares of common stock upon exercise of the December 2020 public offering warrants and prefunded warrants for proceeds of \$2.6 million.

Cash Flows

The following table sets forth the significant sources and uses of cash for the six months ended June 30, 2021 and 2020 (in thousands):

	Six Months Ended June 30,	
	2021	2020
Cash, cash equivalents, and restricted cash, January 1	\$ 93,314	\$ 42,193
Net cash used in operating activities	(12,454)	(22,913)
Net cash (used in) provided by investing activities	(251)	2,903
Net cash provided by financing activities	32,109	12,111
Net increase (decrease) in cash, cash equivalents, and restricted cash	19,404	(7,899)
Cash, cash equivalents, and restricted cash, June 30	\$ 112,718	\$ 34,294

Operating Activities

The \$10.5 million decrease in net cash used in operating activities for the three months ended June 30, 2021, as compared to the six months ended June 30, 2020, was primarily due to the \$28.7 million in net proceeds received from the Loan Agreement and the cash receipt of \$10.0 million from Hansoh received during the current period which offset our increase in selling, general and administrative expenses to support the ongoing commercial launch of BREXAFEMME for the treatment of vaginal yeast infections and the continued development costs associated with ibrexafungerp. Consistent with our operating plan, we expect that our research and development expenses will decrease primarily given the completion of the VANISH Phase 3 registration program and the completion of enrollment in the CANDLE Phase 3 study and we expect our selling, general and administrative expenses to increase to support the ongoing commercial launch of BREXAFEMME for the treatment of vaginal yeast infections and our ongoing operations.

Net cash used in operating activities of \$12.5 million for the six months ended June 30, 2021, primarily consisted of the \$3.0 million net loss adjusted for non-cash charges that included the gain on change in fair value of the warrant liabilities of \$16.6 million, the gain on change in fair value of the derivative liabilities of \$0.4 million, stock-based compensation expense of \$0.9 million, amortization of debt issuance costs and discount of \$0.5 million, and the loss on extinguishment of debt of \$2.7 million, plus a net favorable change in operating assets and liabilities of \$3.1 million. The net favorable change in operating assets and liabilities was primarily due to an increase in accounts payable, accrued expenses, and other of \$1.2 million and a decrease in prepaid expenses, deferred costs, and other of \$1.9 million. The \$1.2 million increase in accounts payable, accrued expenses, and other was primarily due to the increase in accounts payable of \$1.3 million and an increase of \$0.8 million in other liabilities associated with the long term deferred fees due to Amplity, offset by a decrease of \$0.8 million in accrued expenses primarily due to the payment of the 2020 related employee bonus compensation in 2021. The decrease in prepaid expense, deferred cost, and other of \$1.9 million was primarily due to the collection of a \$2.9 million receivable in February 2021, primarily offset by an increase of \$0.4 million in prepaid insurance.

Net cash used in operating activities of \$22.9 million for the six months ended June 30, 2020, primarily consisted of the \$13.4 million net loss adjusted for non-cash charges that included the gain on change in fair value of the warrant liabilities of \$8.3 million, the gain on change in fair value of the derivative liabilities of \$1.4 million, and stock-based compensation expense of \$0.8 million, plus a net unfavorable change in operating assets and liabilities of \$2.8 million. The net unfavorable change in operating assets and liabilities was primarily due to a decrease in accounts payable, accrued expenses, and other of \$3.8 million and offset in part by a decrease in prepaid expenses, deferred costs, and other of \$1.1 million. The \$3.8 million decrease in accounts payable, accrued expenses, and other was primarily due to the decrease of \$1.4 million in accrued employee bonus compensation as a result of the payment of the 2019 related employee bonus compensation in 2020 and the decrease in accounts payable of \$2.4 million as of June 30, 2020. The decrease in prepaid expense, deferred cost, and other of \$1.1 million was primarily due to a \$1.2 million decrease in prepaid research and development costs associated with drug product shipped during the period.

Investing Activities

Net cash used in investing activities of \$0.3 million for the six months ended June 30, 2021, consisted solely of purchases of intangible assets.

Net cash provided by investing activities of \$2.9 million for the six months ended June 30, 2020, consisted of purchases and maturities of short-term investments of \$14.2 million and \$17.1 million, respectively.

Financing Activities

Net cash provided by financing activities of \$32.1 million for the six months ended June 30, 2021, consisted primarily of the net proceeds of \$28.7 million received from the Loan Agreement and \$3.4 million in proceeds from common stock issued.

Net cash provided by financing activities of \$12.1 million for the six months ended June 30, 2020, consisted primarily of gross proceeds from the sale of the April 2020 convertible notes for \$10.0 million and the gross proceeds from the sale of our common stock issued under our at-the-market facility of \$2.8 million.

Future Funding Requirements

As disclosed in Note 1 to our unaudited condensed consolidated financial statements, to date, we have not generated any revenue from product sales. We expect to generate revenue from product sales for BREXAFEMME beginning in the third quarter of 2021. In addition, we expect to incur significant expenses in connection with our ongoing efforts to commercialize BREXAFEMME and further other development activities, particularly as we continue the research, development and clinical trials of, and seek regulatory approval for, product candidates. We anticipate that we will need substantial additional funding in connection with our continuing future operations.

Based upon our existing operating plan, we believe that our existing cash and cash equivalents, the sale of a portion of our New Jersey NOLs, and the anticipated sales of BREXAFEMME will enable us to fund our operating requirements into 2023. These funds will also be sufficient to enable us to support the commercial launch of BREXAFEMME for the treatment of vaginal yeast infections and complete the development activities for the CANDLE study. However, we are continually evaluating our operating plan and assessing the optimal cash utilization for our ibrexafungerp development strategy. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenses necessary to complete the development of product candidates.

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

- the costs and potential revenue associated with the commercialization of BREXAFEMME;
- the progress, and costs, of the clinical development of ibrexafungerp;
- the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals;
- the ability of product candidates to progress through clinical development successfully;
- our need to expand our research and development activities;
- the costs associated with securing, establishing and maintaining commercialization and manufacturing capabilities;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional management and scientific and medical personnel;
- our need to implement additional, as well as to enhance existing, internal systems and infrastructure, including financial and reporting processes and systems and the associated compliance costs; and
- the economic and other terms, timing and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future.

Until such time, if ever, as we can generate substantial revenue from product sales, we expect to finance our cash needs through a combination of net proceeds from equity offerings, debt financings or other non-dilutive third-party funding (e.g., grants, and New Jersey Technology Business Tax Certificate Transfer (NOL) Program), strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities as we did in April 2015, June 2016, March 2018, December 2019, and December 2020, as well as through our common stock purchase agreement with Aspire Capital, the ownership interests of our common stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through sales of assets, other third-party funding, strategic alliances and licensing or collaboration 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.

Off-Balance Sheet Arrangements

During the periods presented we did not have, nor do we currently have, any off-balance sheet arrangements as defined under SEC rules.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our interim condensed consolidated financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our condensed consolidated financial statements, as well as the reported revenues and expenses during the reported periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies, significant judgments, and estimates are described within Note 2 to our unaudited interim condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q as well as Note 2 and Item 7 to our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 3. Quantitative and Qualitative Disclosure about Market Risk.

This item is not applicable to smaller reporting companies.

Item 4. Controls and Procedures.

Management's Evaluation of our Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of June 30, 2021, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial officer have concluded based upon the evaluation described above that, as of June 30, 2021, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

During the quarter ended June 30, 2021, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors.

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020.

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

On May 13, 2021, we entered into a Loan Agreement with Hercules, as administrative agent and collateral agent (in such capacity, the Agent) and a lender, and Silicon Valley Bank, as a lender (SVB, and collectively with Hercules in such capacity, the Lenders) for an aggregate principal amount of up to \$60.0 million.

In connection with the entry into the Loan Agreement, we issued to each of Hercules and SVB a warrant (collectively, the Warrants) to purchase shares of our common stock (the Shares). The number of Shares that may be purchased equals: for the Warrant issued to Hercules, 0.02666 multiplied by the aggregate amount of term loan advances, divided by the exercise price of the Warrant; and for the Warrant issued to SVB, 0.01333 multiplied by the aggregate amount of term loan advances, divided by the exercise price of the Warrant. Accordingly, the number of Shares for which each Warrant is exercisable will increase as the term loan is funded. The Warrants will be exercisable for a period of seven years from the date of issuance at a per-share exercise price equal to \$7.04, subject to certain adjustments as specified in the Warrant.

The issuance of the Warrants by us to the Lenders was made in reliance on the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended, as they were issued to two accredited investors.

Item 6. Exhibits.

Exhibit Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation (Filed with the SEC as Exhibit 3.1 to our current report on Form 8-K, filed with the SEC on May 12, 2014, SEC File No. 001-36365, and incorporated by reference here).
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of SCYNEXIS, Inc. (Filed with the SEC as Exhibit 3.2 to our Form 10-Q, filed with the SEC on August 7, 2019, SEC File No. 001-36365, and incorporated by reference here).
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation of SCYNEXIS, Inc. (Filed with the SEC as Exhibit 3.1 to our Form 8-K, filed with the SEC on July 16, 2020, SEC File No. 001-36365, and incorporated by reference here).
3.4	Amended and Restated By-Laws (Filed with the SEC as Exhibit 3.4 to our Registration Statement on Form S-1, filed with the SEC on February 27, 2014, SEC File No. 333-194192, and incorporated by reference here).
10.1	Loan and Security Agreement, dated May 13, 2021, among the Company, Hercules Capital Inc., and Silicon Valley Bank
10.2	Non-employee Director Compensation Policy
10.3	2015 Inducement Award Plan, as amended and restated (Filed with the SEC as Exhibit 99.1 to our Registration Statement on Form S-8, filed with the SEC on May 10, 2021, SEC File No. 333-255967, and incorporated by reference here)
4.1	Reference is made to Exhibits 3.1 through 3.3.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15(d)-14(a) of the Exchange Act.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 13a-14(b) or 15d-14(b) of the Exchange Act.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Schema Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Labels Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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.

SCYNEXIS, INC.

By: /s/ Marco Taglietti, M.D.
Marco Taglietti, M.D.
Chief Executive Officer
(Principal Executive Officer)

Date: August 15, 2021

By: /s/ Eric Francois
Eric Francois
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: August 15, 2021

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this “Agreement”) dated as of May 13, 2021 (the “**Effective Date**”), among (a) **HERCULES CAPITAL, INC.**, a Maryland corporation, in its capacity as administrative agent and collateral agent (“**Agent**”), (b) **SILICON VALLEY BANK**, a California corporation, as a lender (“**SVB**”), (c) **HERCULES CAPITAL, INC.**, a Maryland corporation (“**Hercules**”), as a lender (SVB and Hercules and each of the other “**Lenders**” from time to time a party hereto are referred to herein collectively as the “**Lenders**” and each individually as a “**Lender**”), and (d) **SCYNEXIS, INC.**, a Delaware corporation (“**Borrower**”), provides the terms on which Agent and the Lenders shall lend to Borrower, and Borrower shall repay Agent and the Lenders. The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP, provided that if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower, Agent or the Lenders shall so request, Borrower, Agent and the Lenders shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided further, that until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower shall provide Agent and the Lenders with financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding the foregoing, any obligations of a Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the “ASU”) shall continue to be accounted for as operating leases for purposes of all financial definitions, calculations and covenants for purposes of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in accordance with GAAP. Notwithstanding the foregoing, all financial covenant and other financial calculations shall be computed with respect to Borrower only, and not on a consolidated basis. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13 of this Agreement. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay to each Lender the outstanding principal amount of all Credit Extensions advanced to Borrower by such Lender and accrued and unpaid interest thereon, together with any fees as and when due in accordance with this Agreement.

2.2 Term Loan Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, Borrower shall request on the Effective Date and the Lenders, severally and not jointly, shall make one (1) term loan advance to Borrower on or about the Effective Date in an original principal amount of Twenty Million Dollars (\$20,000,000.00) according to each Lender’s Term Loan A Commitment as set forth on Schedule 1 hereto (the “**Term Loan A Advance**”). Subject to the terms and conditions of this Agreement, upon Borrower’s request, during the Term Loan B Draw Period, the Lenders, severally and not jointly, shall make term loan advances available to Borrower in an aggregate original principal amount of up to Ten Million Dollars (\$10,000,000.00) according to each Lender’s Term Loan B Commitment as set forth on Schedule 1 hereto (each such advance is referred to herein as a “**Term Loan B Advance**” and, collectively, as the “**Term Loan B Advances**”). Subject to the terms and conditions of this Agreement, upon Borrower’s request, during the Term Loan C Draw Period, the Lenders, severally and not jointly, shall make one (1) term loan advance available to Borrower in an original principal amount of Five Million Dollars (\$5,000,000.00) (the “**Term Loan C Advance**”), provided, however, that, at any time after a Term Loan D Advance has been made to Borrower, the Lenders shall have no obligation to make the Term Loan C Advance if the outstanding principal amount of all Term Loan Advances would exceed the Revenue-Based Availability Amount immediately following the funding of the Term Loan C Advance. Subject to the terms and conditions of this Agreement, upon Borrower’s request, during

the Term Loan D Draw Period, the Lenders, severally and not jointly, shall make term loan advances available to Borrower in an aggregate original principal amount of up to Twenty Five Million Dollars (\$25,000,000.00) (each such advance is referred to herein as a “**Term Loan D Advance**” and, collectively, as the “**Term Loan D Advances**”), provided, however, that the Lenders shall have no obligation to make a Term Loan D Advance if (i) the Term Loan B Draw Period has commenced and has not expired and there remains any amount to be drawn pursuant to the second sentence of this Section 2.2(a), (ii) the Term Loan C Draw Period has commenced and has not expired and there remains any amount to be drawn pursuant to the third sentence of this Section 2.2(a) or (iii) the outstanding principal amount of all Term Loan Advances would exceed the Revenue-Based Availability Amount immediately following the funding of such Term Loan D Advance. Each Term Loan B Advance and each Term Loan D Advance must be in an amount equal to at least Five Million Dollars (\$5,000,000.00). The Term Loan A Advance, each Term Loan B Advance, the Term Loan C Advance and each Term Loan D Advance are hereinafter referred to singly as a “**Term Loan Advance**” and collectively as the “**Term Loan Advances**”. After repayment, no Term Loan Advance (or any portion thereof) may be reborrowed

(b) Interest Payments. With respect to each Term Loan Advance, commencing on the first (1st) Payment Date following the Funding Date of such Term Loan Advance and continuing on the Payment Date of each month thereafter, Borrower shall make monthly payments of interest to the Lenders in arrears, on the principal amount of each Term Loan Advance, at the rate set forth in Section 2.3(a).

(c) Repayment of the Term Loan Advances. Borrower shall repay the aggregate principal balance of the Term Loan Advances that is outstanding on the day immediately preceding the Amortization Date, in equal monthly installments of principal and interest (mortgage style) beginning on the Amortization Date and continuing on the Payment Date of each month thereafter until the Obligations under the Term Loan Advances (other than inchoate indemnity obligations) are repaid. The periodic installments set forth herein include interest, and such installments are based upon the original principal amount of the Term Loan Advances, an assumed fixed rate of interest, and an assumed amortization term, notwithstanding the fact that the interest rate applicable to the Term Loan Advances may change from time to time. In the event that the applicable interest rate changes at any time as a result of any changes in the Prime Rate, the Lenders may, in their sole discretion, but shall not be required to, recalculate the installments of principal and interest, and Borrower shall pay such installments as they may be recalculated by the Lenders. Borrower acknowledges and agrees that any such recalculation shall not affect the Term Loan Maturity Date or any other terms or provisions in this Agreement or any other Loan Document, and that if a Lender elects not to recalculate such installments, the Term Loan Advances may not fully amortize on the Term Loan Maturity Date. All outstanding principal and accrued and unpaid interest with respect to the Term Loan Advances, and all other outstanding Obligations under the Term Loan Advances, are due and payable in full on the Term Loan Maturity Date.

(d) Permitted Prepayment. Borrower shall have the option to prepay all or a portion of the Term Loan Advances, provided (i) any partial prepayments shall be in increments of at least Five Million Dollars (\$5,000,000.00), (ii) Borrower delivers written notice to Agent of its election to prepay all or such portion of the Term Loan Advances at least five (5) Business Days prior to such prepayment, and (iii) pays to the Lenders on the date of such prepayment (A) the outstanding principal plus accrued and unpaid interest with respect to the prepaid portion of Term Loan Advances, in accordance with each Lender’s Pro Rata Share, (B) the Prepayment Fee with respect to the prepaid portion of the Term Loan Advances, (C) the applicable Final Payment and (D) all other sums, if any, that shall have become due and payable with respect to the Term Loan Advances, including Lenders’ Expenses and interest at the Default Rate with respect to any past due amounts. Any partial prepayments of principal with respect to the Term Loan Advances made under this Section 2.2(d) will be applied to the principal balance of the Term Loan Advances in the inverse order of maturity.

(e) Mandatory Prepayment Upon an Acceleration. If the Term Loan Advances are accelerated by Agent, following the occurrence of an Event of Default, Borrower shall immediately pay to the Lenders an amount equal to the sum of (i) all outstanding principal plus accrued and unpaid interest with respect to the Term Loan Advances, in accordance with each Lender’s Pro Rata Share, (ii) the Prepayment Fee, (iii) the applicable Final Payment and (iv) all other sums, if any, that shall have become due and payable with respect to the Term Loan Advances, including Lenders’ Expenses and interest at the Default Rate with respect to any past due amounts.

2.3 Payment of Interest on the Credit Extensions

(a) Interest Rate. Subject to Section 2.3(b), the principal amount outstanding under each Term Loan Advance shall accrue interest at a floating per annum rate equal to the greater of (i) nine and five hundredths of one percent (9.05%) and (ii) five and eight-tenths of one percent (5.80%) above the Prime Rate, which interest, in each case, shall be payable monthly in accordance with Section 2.3(d) below.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percent (5.0%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Lenders' Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Agent or any Lender.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Payment; Interest Computation. Interest is payable monthly on the Payment Date of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Eastern time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.4 Fees. Borrower shall pay to the Lenders:

(a) Commitment Fee. On the Effective Date, a fully earned, non-refundable facility fee of Four Hundred Fifty Thousand Dollars (\$450,000.00), to be paid to the Lenders pursuant to their respective Term Loan Commitment Percentages;

(b) Final Payment. Each Final Payment, when due hereunder, to be paid to the Lenders pursuant to their respective Term Loan Commitment Percentages;

(c) Prepayment Fee. The Prepayment Fee, when due hereunder, to be paid to the Lenders pursuant to their respective Term Loan Commitment Percentages;

(d) Due Diligence Fee. Borrower has paid to the Lenders a due diligence fee of Thirty-Five Thousand Dollars (\$35,000) prior to the Effective Date and shall be deemed fully earned on such date regardless of the early termination of this Agreement, and shall be shared between the Lenders pursuant to their respective Term Loan Commitment Percentages; and

(e) Lenders' Expenses. All Lenders' Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Agent).

Unless otherwise provided in this Agreement or in a separate writing by Agent, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Agent or any Lender pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of any Lender's obligation to make loans and advances hereunder. SVB may deduct amounts owing by Borrower to SVB under the clauses of this Section 2.4 pursuant to the terms of Section 2.5(e) (ii). SVB shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.4.

2.5 Payments; Pro Rata Treatment; Application of Payments; Debit of Accounts

(a) All payments (including prepayments) to be made by Borrower under any Loan Document shall be made to the Lenders in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Eastern time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Each borrowing by Borrower from Lenders hereunder shall be made according to the respective Term Loan Commitment Percentages of the relevant Lenders.

(c) Except as otherwise provided herein, each payment (including each prepayment) by Borrower on account of principal or interest on the Term Loan Advances shall be applied according to each Lender's Pro Rata Share of the outstanding principal amount of the Term Loan Advances. The amount of each principal prepayment of the Term Loan Advances shall be applied to reduce the then remaining installments of the Term Loan Advances based upon each Pro Rata Share of Term Loan Advances.

(d) The Lenders have the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which the Lenders shall allocate or apply any payments required to be made by Borrower to Agent or the Lenders or otherwise received by Agent or any Lender under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(e) (i) The Lenders will initiate debit entries to Borrower's account as authorized on the ACH Authorization (A) on each payment date of all periodic obligations payable to a Lender and (B) for Lenders' Expenses; provided that, with respect to clause (A) above, in the event that a Lender informs Borrower that the Lender will not initiate a debit entry to Borrower's account for a certain amount of the periodic obligations due to such Lender on a specific payment date, Borrower shall pay to the Lender such amount of periodic obligations in full in immediately available funds on such payment date; provided, further, that, with respect to clause (A) above, if a Lender informs Borrower that the Lender will not initiate a debit entry as described above later than the date that is three (3) Business Days prior to such payment date, Borrower shall pay to the Lender such amount of periodic obligations due to such Lender in full in immediately available funds on the date that is three (3) Business Days after the date on which the Lender notifies Borrower of such; provided, further, that, with respect to clause (B) above, in the event that a Lender informs Borrower that such Lender will not initiate a debit entry to Borrower's account for a certain amount of such Lenders' Expenses owed to such Lender, Borrower shall pay to the Lender such amount in full in immediately available funds within three (3) Business Days.

(ii) At SVB's discretion, in lieu of a debit entry to Borrower's account as described in clause (i), SVB may elect to debit any of Borrower's deposit accounts, including the Designated Deposit Account, directly for principal and interest payments or any other amounts Borrower owes SVB when due. These debits shall not constitute a set-off.

2.6 Settlement Procedures. If Agent receives any payment for the account of Lenders and such payment is received on or prior to 12:00 p.m. (Eastern time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on such Business Day. If Agent receives any payment for the account of Lenders and such payment is received after 12:00 p.m. (Eastern time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on the next Business Day.

2.7 Tax Documentation and Withholding.

(a) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document shall deliver to Borrower and Agent (at the time or times reasonably requested by Borrower or Agent), such properly completed and executed documentation reasonably

requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Without limiting the generality of the foregoing, each Lender that is a U.S. Person shall deliver to Borrower and Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent) executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax.

(b) Payments received by Agent or a Lender from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto), except as required by any Governmental Authority, applicable law, regulation or international agreement. Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable with respect to the Obligations to Agent or a Lender, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Agent or the Lender, as applicable, receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish Agent and the Lenders with proof reasonably satisfactory to Agent and the Lenders indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations contained in this Section 2.7 shall survive the termination of this Agreement.

2.8 Treatment of Prepayment Fee and Final Payment. Except as otherwise required by applicable tax law, Borrower agrees that any Prepayment Fee and any Final Payment payable shall be presumed to be the liquidated damages sustained by each Lender as the result of the early termination, and Borrower agrees that it is reasonable under the circumstances currently existing and existing as of the Effective Date. The Prepayment Fee and the Final Payment shall also be payable in the event the Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure, or by any other means. Borrower expressly waives (to the fullest extent it may lawfully do so) the provisions of any present or future statute or law that prohibits or may prohibit the collection of the foregoing Prepayment Fee and Final Payment in connection with any such acceleration. Borrower agrees (to the fullest extent that each may lawfully do so): (a) each of the Prepayment Fee and the Final Payment is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (b) each of the Prepayment Fee and the Final Payment shall be payable notwithstanding the then prevailing market rates at the time payment is made; (c) there has been a course of conduct between the Lenders and Borrower giving specific consideration in this transaction for such agreement to pay the Prepayment Fee and the Final Payment as a charge (and not interest) in the event of prepayment or acceleration; and (d) Borrower shall be estopped from claiming differently than as agreed to in this paragraph. Borrower expressly acknowledges that their agreement to pay each of the Prepayment Fee and the Final Payment to the Lenders as herein described was on the Effective Date and continues to be a material inducement to the Lenders to provide the Term Loans Advances.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Each Lender's obligation to make the initial Credit Extension hereunder is subject to the condition precedent that Agent shall have received, in form and substance satisfactory to Agent and the Lenders, such documents, and completion of such other matters, as Agent may reasonably deem necessary or appropriate, including, without limitation:

- (a) duly executed signatures to the Loan Documents;
- (b) duly executed signatures to the Warrant, together with a capitalization table of Borrower;
- (c) duly executed signatures to the Control Agreements;

- (d) the Operating Documents and long-form good standing certificates of Borrower certified by the Secretary of State (or equivalent agency) of Delaware and each other state in which Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;
- (e) a secretary's corporate borrowing certificate of Borrower with respect to Borrower's Operating Documents, incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party;
- (f) duly executed signatures to the completed Borrowing Resolutions for Borrower;
- (g) a subordination agreement by Puissance Life Science Opportunities Fund VI in favor of Agent and the Lenders, together with the duly executed signatures thereto and copies of the underlying documents evidencing Borrower's Indebtedness with such Person;
- (h) a subordination agreement by Amplity, Inc. in favor of Agent and the Lenders, together with the duly executed signatures thereto and copies of the underlying documents evidencing Borrower's Indebtedness with such Person;
- (i) certified copies, dated as of a recent date, of financing statement searches, as Agent may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;
- (j) the Perfection Certificate of Borrower, together with the duly executed signatures thereto;
- (k) a legal opinion (authority and enforceability) of Borrower's counsel dated as of the Effective Date together with the duly executed signature thereto;
- (l) evidence satisfactory to the Lenders and Agent that the insurance policies and endorsements required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Agent; and
- (m) payment of the fees and Lenders' Expenses then due as specified in Section 2.4 hereof.

3.2 Conditions Precedent to all Credit Extensions. Each Lender's obligation to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

- (a) timely receipt by the Lenders of (i) an executed Disbursement Letter; and (ii) an executed Payment/Advance Form and any materials and documents required by Section 3.4;
- (b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Disbursement Letter (and the Payment/Advance Form) and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and
- (c) Agent and each Lender determine to their reasonable satisfaction that there has not been a Material Adverse Change.

3.3 Covenant to Deliver. Borrower agrees to deliver to Agent and each Lender each item required to be delivered to Agent and each Lender under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Agent and each Lender of any such item shall not constitute a waiver by Agent or Lenders of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in each Lender's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Credit Extension set forth in this Agreement, to obtain a Credit Extension, Borrower shall notify Agent (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 p.m. Eastern time at least five (5) Business Days (provided that such period shall be one (1) Business Day with respect to the Term Loan A Advance) before the proposed Funding Date of such Credit Extension. Together with any such electronic or facsimile notification, Borrower shall deliver to Agent by electronic mail or facsimile a completed Disbursement Letter (and Payment/Advance Form) executed by an Authorized Signer. Agent may rely on any telephone notice given by a person whom Agent believes is an Authorized Signer. On the Funding Date, the Lenders shall credit the Credit Extensions to the Designated Deposit Account. The Lenders may make Credit Extensions under this Agreement based on instructions from an Authorized Signer or without instructions if the Credit Extensions are necessary to meet Obligations which have become due.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. For clarity, any reference to "Agent's Lien" or any granting of collateral to Agent in this Agreement or any Loan Document means the Lien granted to Agent for the ratable benefit of the Lenders.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with SVB. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes SVB thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and SVB to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Agent's Lien in this Agreement), and by any and all other security agreements, mortgages, or other collateral granted to Agent by Borrower as security for the Obligations, now or in the future.

If this Agreement is terminated, Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligation to make Credit Extensions has terminated, Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Agent shall terminate the security interest granted herein upon Borrower providing to SVB cash collateral acceptable to SVB in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to SVB cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by SVB in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interests granted herein are and shall at all times continue to be first priority perfected security interests in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Agent's Lien under this Agreement). If Borrower shall acquire a commercial tort claim with a value in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), Borrower shall promptly notify Agent in a writing signed by Borrower of the general details thereof and grant to Agent, for the ratable benefit of the Lenders, in such writing a

security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Agent

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Agent, on behalf of the Lenders, to file financing statements and other similar forms, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Agent's and Lenders' interest or rights hereunder, including a notice that any disposition of the Collateral, by Borrower or any other Person, shall be deemed to violate the rights of Agent under the Code. Such financing statements and other similar forms may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Agent's discretion.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower is duly organized, validly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property and other assets or business which it is engaged in requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Agent and each Lender a completed certificate signed by Borrower, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Borrower represents and warrants to Agent and each Lender that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized or incorporated in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete in all material respects (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement and provided that the Perfection Certificate shall be deemed to be updated to reflect the information provided in any notice that is required to be delivered by Borrower pursuant to Section 7.2). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Agent of such occurrence and provide Agent with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict with or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under this Agreement and the other Loan Documents, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than SVB or SVB's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Agent and each Lender in connection herewith and which Borrower has given Agent notice and taken such actions as are necessary to give Agent, for the ratable benefit of the Lenders, a perfected security interest therein, pursuant to the terms of Section 6.6(b). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate or as permitted pursuant to Section 7.2. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

All Inventory is in all material respects of good and marketable quality, free from material defects.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discrete geographical areas outside of the United States, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate (as may be updated from time to time by notice to Agent). To the best of Borrower's knowledge, each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate or as notified to Agent pursuant to Section 6.8(b), Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Litigation. There are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Two Hundred Fifty Thousand Dollars (\$250,000.00) or more.

5.4 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Agent and the Lenders by submission to the Financial Statement Repository or otherwise submitted to Agent or either Lender fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations as of the dates and for the periods presented. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to the Financial Statement Repository or otherwise submitted to Agent or either Lender.

5.5 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.6 Regulatory Compliance. Neither Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Neither Borrower nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower's nor any of its Subsidiaries' properties or assets has been used by Borrower or such Subsidiary or, to Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted, except to the extent such failure to so obtain, make or give such consents, approvals, authorizations, declarations, filings or notices could not reasonably be expected to have a material adverse effect on Borrower's or any Subsidiary's business. Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business.

None of Borrower, any of its Subsidiaries, or any of Borrower's or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) is a Blocked Person. None of Borrower, any of its Subsidiaries, or to the knowledge of Borrower and any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law. None of the funds to be provided under this Agreement will be used, directly or indirectly, (a) for any activities in violation of any applicable anti-money laundering, economic sanctions and anti-bribery laws and regulations laws and regulations or (b) for any payment to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

5.7 Subsidiaries; Investments. Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required income and other material tax returns and reports or extensions thereof, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor (such taxes, "**Contested Taxes**"), or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Fifty Thousand Dollars (\$50,000.00).

To the extent Borrower defers payment of any Contested Taxes, Borrower shall (i) notify Agent in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such Contested Taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower in excess of Fifty Thousand Dollars (\$50,000.00). Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement submitted to the Financial Statement Repository or otherwise submitted to Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements submitted to the Financial Statement Repository or otherwise submitted to Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Agent and each Lender that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.11 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 **Government Compliance.**

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Agent, for the ratable benefit of the Lenders, in the Collateral. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Agent.

6.2 **Financial Statements, Reports.** Provide Agent and each Lender with the following by submitting to the Financial Statement Repository:

(a) Monthly Financial Statements. As soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such month in a form reasonably acceptable to Agent and the Lenders;

(b) 10-Q. As soon as available, and in any event within forty-five (45) days following the end of each of the first three (3) fiscal quarters of Borrower in each fiscal year, Borrower's 10-Q for such fiscal quarter as filed with the SEC;

(c) 10-K. As soon as available, and in any event within ninety (90) days following the end of Borrower's fiscal year, Borrower's 10-K for such fiscal year as filed with the SEC, together with audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than a "going concern" qualification typical for venture-backed companies similar to Borrower or a "going concern" qualification based on Borrower having negative profits or based on a determination that Borrower has fewer than twelve (12) months of liquidity) on the financial statements from an independent certified public accounting firm reasonably acceptable to Agent and the Lenders (it being understood that Deloitte & Touche LLP shall be deemed acceptable to Agent and the Lenders);

(d) Compliance Statement. Within thirty (30) days after the last day of each month, a completed Compliance Statement confirming that, as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Agent or the Lenders may reasonably request, including, without limitation, a statement that at the end of such month there were no held checks;

(e) Annual Operating Budget and Financial Projections. As soon as available, at least annually, and in any event no later than within sixty (60) days after the end of each fiscal year of Borrower, and promptly upon any updates or amendments thereto, (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by month), and (ii) annual financial projections (on a quarterly basis), in each case as approved by the Board, together with any related business forecasts used in the preparation of such annual financial projections, in each case in a form acceptable to Agent and each of the Lenders;

(f) Other Statements. Within five (5) days of delivery, copies of all material statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt;

(g) SEC Filings. Within five (5) days of filing, copies of all periodic and other reports (other than Borrower's 10-Q and 10-K), proxy statements and other materials filed by Borrower and/or any Guarantor with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be;

(h) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Two Hundred Fifty Thousand Dollars (\$250,000.00) or more;

(i) OFAC Notice. Immediately upon Borrower's or any Subsidiary's knowledge, a written notice that Borrower, or any Subsidiary or Affiliate of Borrower, is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering;

(j) Beneficial Ownership Information. Prompt written notice of any changes to the beneficial ownership information set out in Section 14 of the Perfection Certificate. Borrower understands and acknowledges that each Lender relies on such true, accurate and up-to-date beneficial ownership information to meet such Lender's regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers;

(k) Subordinated Debt Default. Prompt written notice of the occurrence of any default or event of default under any document, instrument or agreement evidencing or relating to any Subordinated Debt; and

(l) Other Financial Information. Other financial information reasonably requested by Agent or any Lender.

Notwithstanding the foregoing, documents required to be delivered under clauses (b), (c) or (g) of this Section 6.2 may be delivered electronically and if so delivered (which, for clarity, with respect to the delivery of 10-Ks, must include the accounting firm opinion required pursuant to clause (c)), shall be deemed to have been delivered on the date on which Borrower files such documents with the SEC and such documents are publicly available on the SEC's EDGAR filing system or any successor thereto.

Any submission by Borrower of a Compliance Statement or any other financial statement submitted to the Financial Statement Repository pursuant to this Section 6.2 or otherwise submitted to Agent or either Lender shall be deemed to be a representation by Borrower that (i) as of the date of such Compliance Statement or other financial statement, the information and calculations set forth therein are true, accurate and correct, (ii) as of the end of the compliance period set forth in such submission, Borrower is in complete compliance with all required covenants except as noted in such Certificate Statement or other financial statement, as applicable, (iii) as of the date of such submission, no Events of Default have occurred or are continuing, (iv) all representations and warranties other than any representations or warranties that are made as of a specific date in Section 5 remain true and correct in all material respects as of the date of such submission except as noted in such Compliance Statement or other financial statement, as applicable, (v) as of the date of such submission, Borrower and each of its Subsidiaries has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.8, and (vi) as of the date of such submission, no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Agent or either Lender.

6.3 Taxes; Pensions. Timely file and require each of its Subsidiaries to timely file, all required income and other material tax returns and reports or extensions thereof and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except (i) for deferred payment of any Contested Taxes and (ii) to the extent such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Fifty Thousand Dollars (\$50,000.00), and shall deliver to Agent, on reasonable written request, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.4 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. Borrower must promptly notify Agent and the Lenders of all returns, recoveries, disputes and claims that involve Inventory with a replacement value of more than Two Hundred Fifty Thousand Dollars (\$250,000.00).

6.5 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Agent may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are satisfactory to Agent in its reasonable discretion. Without limiting the foregoing, (i) Borrower must maintain a minimum of \$2,000,000 of commercial general liability insurance for each occurrence and (ii) Borrower has and agrees to maintain a minimum of Two Million Dollars (\$2,000,000.00) of directors' and officers' insurance for each occurrence and Five Million Dollars (\$5,000,000.00) in the aggregate. All property policies shall have a lender's loss payable endorsement showing Agent as lender loss payee. All commercial general liability and umbrella liability policies shall show, or have endorsements showing, Agent as an additional insured. Agent shall be named as the sole lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Agent's option, payable to Agent for the ratable benefit of the Lenders on account of the Obligations. Notwithstanding the foregoing, (i) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Five Hundred Thousand Dollars (\$500,000.00) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (A) shall be of equal or like value as the replaced or repaired Collateral and (B) shall be deemed Collateral in which Agent, for the ratable benefit of the Lenders, has been granted a first priority security interest, and (ii) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of the Lenders, be payable to the Lenders on account of the Obligations.

(c) At Agent's request, Borrower shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.5 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Agent, that it will give Agent thirty (30) days prior written notice (or ten (10) days prior written notice for cancellation due to non-payment of premium) before any such policy or policies shall be canceled. If Borrower fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Agent, Agent may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Agent deems prudent.

6.6 Operating Accounts.

(a) Maintain all of Borrower's, any of its Subsidiaries', and any Guarantor's operating accounts, depository accounts and excess cash with SVB and SVB's Affiliates, which accounts (other than Excluded Accounts) are required to be subject to Control Agreements in favor of Agent, provided, however, that (i) Australian Subsidiary may maintain accounts in Australia with financial institutions other than SVB and SVB's Affiliates and (ii) if SVB and SVB's Affiliates are unable to provide a particular type of banking services to any other Subsidiary of Borrower or any Guarantor in a country or countries outside of the United States, such Subsidiaries and Guarantors may maintain accounts in such country and countries with financial institutions other than SVB and SVB's Affiliates containing an aggregate amount (for all such accounts together) not exceeding Two Hundred Fifty Thousand Dollars (\$250,000.00) at any time (so long as such accounts are exclusively used for banking services SVB and its Affiliates are unable to provide). In addition to the foregoing, except as permitted pursuant to subsection (m) of the definition of Permitted Indebtedness, Borrower, any Subsidiary of Borrower and any Guarantor, shall obtain any business credit card and any letter of credit exclusively from SVB.

(b) In addition to and without limiting the restrictions in (a), Borrower shall provide Agent five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Agent's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of the Lenders. The provisions of the previous sentence shall not apply to (i) Excluded Accounts and (ii) deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Agent and the Lenders by Borrower as such.

6.7 Financial Covenant – Net Product Revenue. Commencing June 30, 2022, to be tested each month (as of the last day of the immediately preceding month) at the time of the delivery or due date of financial statements pursuant to Section 6.2(a), maintain Net Product Revenue for the trailing three (3) month period ending with the month of such financial reporting in an amount equal to at least fifty percent (50.0%) of the projected Net Product Revenue for such period based upon the Forecast. Notwithstanding the foregoing, required compliance with the Net Product Revenue covenant set forth in this Section 6.7 shall not be required at any time in which Borrower maintains unrestricted and unencumbered cash in accounts maintained with SVB which are subject to a Control Agreement in favor of Agent in an amount equal to at least fifty percent (50.0%) of the aggregate principal amount of all outstanding Term Loan Advances (for the avoidance of doubt, this waiver provision is a daily condition and if it was not being satisfied at any point in time, compliance with the Net Product Revenue covenant would need to be demonstrated as of the most recent financial reporting period).

6.8 Protection of Intellectual Property Rights.

(a) (i) Use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of any Intellectual Property; (ii) promptly advise Agent in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Agent's written consent.

(b) Provide written notice to Agent within ten (10) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such commercially reasonable steps as Agent requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Agent to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Agent's and the Lenders' rights and remedies under this Agreement and the other Loan Documents.

6.9 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Agent, without expense to Agent or any Lender, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Agent and/or the Lenders may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Agent and/or any Lender with respect to any Collateral or relating to Borrower .

6.10 Further Assurances. Execute any further instruments and take further action as Agent and the Lenders reasonably request to perfect or continue Agent's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Agent and the Lenders, within five (5) days after the same are sent or received, copies of all material correspondence, reports, documents and other material filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

6.11 Management Rights. Borrower shall permit any representative that Agent or any Lender authorizes, including its attorneys and accountants, to inspect the Collateral and examine and make copies and abstracts of the books of account and records of Borrower at reasonable times and upon reasonable notice during normal business hours; provided, however, that so long as no Event of Default has occurred and is continuing, such examinations shall be limited to no more often than once per fiscal year. In addition, any such representative shall have the right to meet with management and officers of Borrower to discuss such books of account and records. In addition, Agent and each Lender shall be entitled at reasonable times and intervals to consult with and advise the management and officers of Borrower concerning significant business issues affecting Borrower. Such consultations shall not unreasonably interfere with Borrower's business operations. The parties intend that the rights granted Agent and the Lenders shall constitute "management rights" within the meaning of 29 C.F.R. Section 2510.3-101(d)(3)(ii), but that any advice, recommendations or participation by Agent or the Lenders with respect to any business issues shall not be deemed to give Agent or the Lenders, nor be deemed an exercise by Agent or the Lenders of, control over Borrower's management or policies.

6.12 Post-Closing Requirement. Deliver to Agent, each in form and substance satisfactory to Agent and the Lenders, within ten (10) Business Days of the Effective Date, Control Agreements with respect to each of Borrower's Deposit Accounts and Securities Accounts maintained with SVB.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without the prior written consent of the Lenders:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (including, without limitation, pursuant to a Division) (collectively, "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of Borrower's or its Subsidiaries' use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; (e) consisting of licenses and similar arrangements for the use of Intellectual Property in the ordinary course of business that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory or may be exclusive as to territory but only as to discrete geographical areas outside of the United States of America in the ordinary course of business; (f) consisting of the sale or issuance of any stock of Borrower provided that any such sale or issuance does not result in a Change in Control; (g) consisting of sales or discounting of delinquent accounts in the ordinary course of business pursuant to transactions not prohibited by this Agreement; (h) consisting of sales of net operating or tax losses through any government sponsored program; (i) of Intellectual Property that is not material to Borrower's business, as determined in consultation with Agent; and (j) of other property not otherwise permitted by this Section 7.1 in an aggregate amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in any twelve (12) month period.

7.2 Changes in Business, Management, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Agent and Lenders of any Key Person departing from or ceasing to be employed by Borrower within five (5) Business Days after such Key Person's departure from Borrower; or (d) permit or suffer any Change in Control, unless prior to or simultaneously with the closing of any such Change in Control transaction, the Loan Documents are terminated and all Obligations are paid in full in cash.

Borrower shall not, without at least ten (10) days prior written notice to Agent: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Two Hundred Fifty Thousand Dollars (\$250,000.00) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, excluding contract manufacturers, locations outside of the United States, clinical sites and third-party logistics and/or distribution centers, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower

intends to add any new offices or business locations, including warehouses, containing in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) of Borrower's assets or property, then Borrower will first notify Agent, and the landlord of any such new offices or business locations, including warehouses, shall execute and deliver a landlord consent in form and substance reasonably satisfactory to Agent. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) to a bailee (excluding any contract manufacturer, clinical site, bailee location outside of the United States or third-party logistics and/or distribution center), and Agent and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first notify Agent, and such bailee shall execute and deliver a bailee agreement in form and substance reasonably satisfactory to Agent.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, (i) all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary or pursuant to a Division) or (ii) any product, product line or Intellectual Property (including the right to use, develop or sell the same) of or from any other Person (in each case, including through licensing), except for Permitted Acquisitions, unless prior to or simultaneously with the closing of any such transaction, the Loan Documents are terminated and all Obligations are paid in full in cash. A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, guarantee or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on Borrower an obligation to prepay any Indebtedness, except as otherwise permitted hereunder or approved in writing by Agent.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Agent's Lien under this Agreement), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock, provided that Borrower may (i) convert any of its convertible securities into other securities (including Borrower's common stock) pursuant to the terms of such convertible securities or otherwise in exchange thereof, including the conversion or exchange of any outstanding 6.0% Senior Convertible Notes due 2025 issued by Borrower to Puissance Life Science Opportunities Fund VI into Borrower's common stock pursuant to the terms of the Senior Convertible Note Purchase Agreement, dated as of March 7, 2019, by and between Borrower and Puissance Life Science Opportunities Fund VI or otherwise, (ii) pay dividends solely in common stock, (iii) distribute equity securities to former or current employees, officers, consultants or directors pursuant to the exercise of employee stock options approved by the Board, (iv) conduct Permitted Repurchases so long as an Event of Default does not exist at the time of any such Permitted Repurchase and would not exist after giving effect to any such Permitted Repurchase, provided that the aggregate amount of all Permitted Repurchases does not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) per fiscal year, and (v) redeem or repurchase capital stock, provided that concurrently with any such redemption or repurchase, Borrower receives proceeds from the sale of Borrower's equity securities equal to or greater than the value of such redemption or repurchase; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for (a) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person, (b) reasonable and customary compensation arrangements and benefit plans for officers and other employees of Borrower entered into or maintained in the ordinary course of business, (c) reasonable and customary fees paid to members of the Board in the ordinary course of business, and (d) Investments of the type described in and permitted under clause (c) of the definition of "Permitted Investments" herein.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof (except as expressly permitted under the terms of the subordination, intercreditor or other similar arrangement to which such Subordinated Debt is subject), provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Agent and the Lenders.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or non-exempt Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; or withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

Borrower shall not, nor shall Borrower permit any of its Subsidiaries, Affiliates or Affiliates of Subsidiaries to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Borrower shall not, nor shall Borrower permit any of its Subsidiaries, Affiliates or Affiliates of Subsidiaries to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.

Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects.

None of Borrower, any of its Subsidiaries or any of their respective directors, officers or employees, or to the knowledge of Borrower, any agent for Borrower or its Subsidiaries that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Credit Extension, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.11, or 6.12 or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3 Material Adverse Change. A circumstance has occurred that could reasonably be expected to cause a Material Adverse Change;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary), or (ii) a notice of lien or levy is filed against any of Borrower's assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00); or (b) any breach or default by Borrower or Guarantor, the result of which could have a material adverse effect on Borrower's or any Guarantor's business; provided, however, that the Event of Default under this Section 8.6 caused by the occurrence of a breach or default under such other agreement shall be cured or waived for purposes of this Agreement upon the Lenders receiving written notice from the party asserting such breach or default of such cure or waiver of the breach or default under such other agreement, if at the time of such cure or waiver under such other agreement (x) the Lenders have not declared an Event of Default under this Agreement and/or exercised any rights with respect thereto; (y) any such cure or waiver does not result in an Event of Default under any other provision of this Agreement or any Loan Document; and (z) in connection with any such cure or waiver under such other agreement, the terms of any agreement with such third party are not modified or amended in any manner which could in the good faith business judgment of the Lenders be materially less advantageous to Borrower or any Guarantor;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars (\$250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Agent or any Lender or to induce Agent or any Lender to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or any applicable subordination or intercreditor agreement;

8.10 Guaranty. (a) Any guaranty of any Obligations terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any guaranty of the Obligations; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.6, 8.7, or 8.8 of this Agreement occurs with respect to any Guarantor; (d) the death, liquidation, winding up, or termination of existence of any Guarantor; or (e) (i) a material impairment in the perfection or priority of Agent's Lien in the collateral provided by Guarantor or in the value of such collateral or (ii) a material adverse change in the general affairs, management, results of operation, condition (financial or otherwise) or the prospect of repayment of the Obligations occurs with respect to any Guarantor;

8.11 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) causes, or could reasonably be expected to cause a Material Adverse Change, or (ii) materially adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to materially adversely affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction; or

8.12 Australian Subsidiary Property. Australian Subsidiary acquires, receives, owns or holds any assets or property with an aggregate value of greater than One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00) at any time.

9 LENDERS' RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, (i) Agent, as directed by each Lender in accordance with the Lender Intercreditor Agreement or, if such rights and remedies are not addressed in the Lender Intercreditor Agreement, as directed by a majority of the Lenders, may and (ii) with respect to clauses (c), (d), (g) and (i) Agent and/or any Lender may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Agent or any Lender);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement among Borrower, Agent, and/or any Lenders;

(c) demand that Borrower (i) deposit cash with SVB in an amount equal to at least (A) one hundred five percent (105.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in Dollars remaining undrawn, and (B) one hundred ten percent (110.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in a Foreign Currency remaining undrawn (plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by SVB in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Agent and/or the Lenders consider advisable, and notify any Person owing Borrower money of Agent's security interest in such funds. Borrower shall collect all payments in trust for Agent, for the ratable benefit of the Lenders and, if requested by Agent, immediately deliver the payments to Agent, for the ratable benefit of the Lenders in the form received from the Account Debtor, with proper endorsements for deposit;

(f) make any payments and do any acts Agent or any Lender considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Agent requests and make it available as Agent designates. Agent may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Agent a license to enter and occupy any of its premises, without charge, to exercise any of Agent's rights or remedies;

(g) apply to the Obligations (i) any balances and deposits of Borrower it holds, or (ii) any amount held by Agent owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Agent, for the benefit of the Lenders is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Agent's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements inure to Agent, for the ratable benefit of the Lenders;

(i) place a "hold" on any account maintained with Agent or Lenders and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Agent and the Lenders under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Agent, for the benefit of the Lenders as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Agent determines reasonable; (d) make,

settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Agent or a third party as the Code permits. Borrower hereby appoints Agent, for the benefit of the Lenders as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and the Lenders are under no further obligation to make Credit Extensions hereunder. Agent's foregoing appointment as Borrower's attorney in fact, and all of Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and the Lenders' obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Agent may obtain such insurance or make such payment, and all amounts so paid by Agent are Lenders' Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Agent will make reasonable efforts to provide Borrower with notice of Agent obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Agent are deemed an agreement to make similar payments in the future or Agent's and/or Lender's waiver of any Event of Default.

9.4 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Agent shall have the right to apply in any order any funds in its possession, whether from Borrower's account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Agent shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Agent and the Lenders for any deficiency. If Agent, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Agent shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Agent of cash therefor.

9.5 Liability for Collateral. So long as Agent and Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in their possession or under the control of Agent and/or Lenders, Agent and Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Agent's and any Lender's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Agent's and each Lender's rights and remedies under this Agreement and the other Loan Documents are cumulative. Agent and each Lender have all rights and remedies provided under the Code, by law, or in equity. Agent's or any Lender's exercise of one right or remedy is not an election and shall not preclude Agent or any Lender from exercising any other remedy under this Agreement or any other Loan Document or other remedy available at law or in equity, and Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Agent on which Borrower is liable.

10 **NOTICES**

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Agent or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	Scynexis, Inc. 1 Evertrust Plaza, 13th Floor Jersey City, New Jersey 07302 Attn: Legal Department Phone: Email:
with a copy to:	Cooley LLP 101 California Street, 5th Floor San Francisco, California 94114 Attn: Maricel Mojares-Moore Email:
If to SVB:	Silicon Valley Bank 275 Grove Street Suite 2-200 Newton, Massachusetts 02466 Attn: Mr. Michael McMahon Email:
with a copy to:	Morrison & Foerster LLP 200 Clarendon Street, 20th Floor Boston, Massachusetts 02116 Attn: David A. Ephraim, Esquire Email:
If to Agent or Hercules:	Hercules Capital, Inc. Legal Department Attention: Chief Legal Officer, Bryan Jadot and Michael Dutra 400 Hamilton Avenue, Suite 310 Palo Alto, California 94301 email:

11 **CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE**

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Borrower, Agent, and Lenders each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Agent or Lenders from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Agent or any Lender. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby

waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, AGENT AND EACH LENDER EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure Section 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

This Section 11 shall survive the termination of this Agreement.

12 GENERAL PROVISIONS

12.1 Termination Prior to Term Loan Maturity Date; Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement) have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Term Loan Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Agent. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination. No termination of this Agreement or any Bank Services Agreement shall in any way affect or impair any right or remedy of Agent or any Lender, nor shall any such termination relieve Borrower of any Obligation to any Lender, until all of the Obligations have been paid and performed in full. Those Obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination and payment in full of the Obligations then outstanding.

12.2 Successors and Assigns.

(a) This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Agent and Lenders' prior written consent (which may be granted or withheld in Agent's and Lenders' discretion). Agent and each Lender has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, such Lender's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof).

(b) Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices in the United States a copy of each assignment and assumption pursuant to Section 12.2(a) delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Term Loan Commitments of, and principal amounts (and stated interest) of the Term Loan Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and Borrower, Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(c) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Term Loan Advances or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register. Borrower agrees that each participant shall be entitled to the benefits of the provisions of Section 2.7 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 12.2; provided that such participant shall not be entitled to receive any greater payment pursuant to Section 2.7, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation.

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Agent, each Lender and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Agent or any Lender (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Lenders' Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Agent, Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct. This Section 12.3 shall not apply with respect to taxes other than any taxes that represent losses, claims, damages, etc. arising from any non-tax claim.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Agent may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, or release, or subordinate Lenders' security interest in, or consent to the transfer of, any Collateral shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by Agent, with the consent of the Lenders in accordance with the Lender Intercreditor Agreement or, if such item is not addressed in the Lender Intercreditor Agreement, as consented to by a majority of the Lenders, and Borrower. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents. In the event any provision of any other Loan Document is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall exclusively control.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality Agent and the Lenders agree to maintain the confidentiality of Information (as defined below), except that Information may be disclosed (a) to Agent and/or any Lender's subsidiaries or Affiliates, and their respective employees, directors, officers, investors and potential investors (and each of their respective Affiliates or clients), partners, lenders, agents, attorneys, accountants and other professional advisors (collectively, "**Representatives**" and, together with Agent and the Lenders, collectively, "**Lender Entities**"); (b) to prospective transferees, assignees, credit providers or purchasers of any of the Lenders' or Agent's interests under or in connection with this Agreement and their Representatives (provided, however, Agent and the Lenders shall use their best efforts to obtain any such prospective transferee's, assignee's, credit provider's, purchaser's or their Representatives' agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Agent's or any Lender's regulators or as otherwise required in connection with Agent's or any Lender's examination or audit; (e) as Agent or any Lender considers appropriate in exercising remedies under the Loan Documents; (f) to third-party service providers of Agent and/or any Lender so long as such service providers have executed a confidentiality agreement with Agent or the Lenders, as applicable, with terms no less restrictive than those contained herein; and (g) to the extent consisting of general portfolio information that does not identify Borrower. The term "Information" means all information received from Borrower regarding Borrower or its business, in each case other than information that is either: (i) in the public domain or in Agent's or any Lender's possession when disclosed to Agent or such Lender, or becomes part of the public domain (other than as a result of its disclosure by Agent or a Lender in violation of this Agreement) after disclosure to Agent and/or the Lenders; or (ii) disclosed to Agent and/or a Lender by a third party, if Agent or such Lender, as applicable, does not know that the third party is prohibited from disclosing the information.

Lender Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

12.10 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Borrower and Agent or any Lender arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.11 Right of Setoff. Borrower hereby grants to Agent, for the ratable benefit of the Lenders a Lien and a right of setoff as security for all Obligations to Agent and the Lenders, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping

or control of Agent or any entity under the control of Agent (including a subsidiary of Agent) in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Agent or any Lender may setoff the same or any part thereof and apply the same to any liability or Obligation of Borrower even though unmaturing and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE AGENT OR ANY LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.12 Electronic Execution of Documents. The words “execution,” “signed,” “signature” and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.13 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.14 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.15 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm’s-length contract.

12.16 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.17 Patriot Act. Each Lender hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Borrower and each of its Subsidiaries, which information includes the names and addresses of each Borrower and each of its Subsidiaries and other information that will allow Lender, as applicable, to identify Borrower and each of its Subsidiaries in accordance with the USA PATRIOT Act.

13 DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word “shall” is mandatory, the word “may” is permissive, the word “or” is not exclusive, the words “includes” and “including” are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

“**Account**” is any “**account**” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

“**Account Debtor**” is any “**account debtor**” as defined in the Code with such additions to such term as may hereafter be made.

“**ACH Authorization**” means the ACH Debit Authorization Agreement in substantially the form of Exhibit E.

“**Affiliate**” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“**Agent**” is defined in the preamble hereof.

“**Agreement**” is defined in the preamble hereof.

“**Amortization Date**” is:

(a) if the Performance Milestone I does not occur, December 1, 2023;

(b) if the Performance Milestone I occurs, June 3, 2024, provided, however, that:

(i) if, prior to June 3, 2024, Borrower provides Agent and the Lenders with evidence, satisfactory to Agent and each Lender in their reasonable discretion, that Borrower had Net Product Revenue in an amount equal to at least the amount required pursuant to the financial covenant in Section 6.7 hereof (not taking into account any waiver of compliance with such covenant under the terms of Section 6.7) at all times prior to June 3, 2024, the Amortization Date will be September 2, 2024;

(ii) if the Amortization Date is extended as set forth in subsection (i) and, prior to September 2, 2024, Borrower provides Agent and the Lenders with evidence, satisfactory to Agent and each Lender in their reasonable discretion, that Borrower had Net Product Revenue in an amount equal to at least the amount required pursuant to the financial covenant in Section 6.7 hereof (not taking into account any waiver of compliance with such covenant under the terms of Section 6.7) at all times prior to September 2, 2024, the Amortization Date will be December 2, 2024;

(iii) if the Amortization Date is extended as set forth in subsection (ii) and, prior to December 2, 2024, Borrower provides Agent and the Lenders with evidence, satisfactory to Agent and each Lender in their reasonable discretion, that Borrower had Net Product Revenue in an amount equal to at least the amount required pursuant to the financial covenant in Section 6.7 hereof (not taking into account any waiver of compliance with such covenant under the terms of Section 6.7) at all times prior to December 2, 2024, the Amortization Date will be March 3, 2025; and

(iv) if the Amortization Date is extended as set forth in subsection (iii) and, prior to March 3, 2025, Borrower provides Agent and the Lenders with evidence, satisfactory to Agent and each Lender in their reasonable discretion, that Borrower had Net Product Revenue in an amount equal to at least the amount required pursuant to the financial covenant in Section 6.7 hereof (not taking into account any waiver of compliance with such covenant under the terms of Section 6.7) at all times prior to March 3, 2025, the Amortization Date will be the Term Loan Maturity Date.

“**Anti-Terrorism Laws**” means any laws, rules, regulations or orders relating to terrorism or money laundering, including without limitation Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

“**ASU**” is defined in Section 1.

“**Australian Subsidiary**” is SCYNEXIS Pacific Pty Ltd, Borrower’s wholly-owned Subsidiary formed under the laws of Australia.

“**Authorized Signer**” is any individual listed in Borrower’s Borrowing Resolution who is authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of Borrower.

“**Bank Services**” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by SVB or any SVB Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in SVB’s various agreements related thereto (each, a “**Bank Services Agreement**”).

“**Bank Services Agreement**” is defined in the definition of Bank Services.

“**Blocked Person**” means any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) a Person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224, or (e) a Person that is named a “specially designated national” or “blocked person” on the most current list published by OFAC or other similar list.

“**Board**” means Borrower’s board of directors.

“**Borrower**” is defined in the preamble hereof.

“**Borrower’s Books**” are all Borrower’s books and records including ledgers, federal and state tax returns, records regarding Borrower’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“**Borrowing Resolutions**” are, with respect to any Person, those resolutions adopted by such Person’s board of directors (and, if required under the terms of such Person’s Operating Documents, stockholders) and delivered by such Person to Agent approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Agent and the Lenders may conclusively rely on such certificate unless and until such Person shall have delivered to Agent and the Lenders a further certificate canceling or amending such prior certificate.

“**Business Day**” is any day that is not a Saturday, Sunday or a day on which Agent or a Lender is closed.

“**Cash Equivalents**” means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; (c) SVB’s certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

“**Change in Control**” means (a) at any time, any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of forty-nine percent (49.0%) or more of the ordinary voting power for the election of directors of Borrower (determined on a fully diluted basis); (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause

(i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (c) at any time, Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100.0%) of each class of outstanding capital stock of each Subsidiary of Borrower free and clear of all Liens (except Liens created by this Agreement).

“**Claims**” is defined in Section 12.3.

“**Code**” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Agent’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“**Collateral**” is any and all properties, rights and assets of Borrower described on Exhibit A.

“**Collateral Account**” is any Deposit Account, Securities Account, or Commodity Account.

“**Commitment**” and “**Commitments**” means the Term Loan Commitment(s).

“**Commodity Account**” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

“**Compliance Statement**” is that certain statement in the form attached hereto as Exhibit B.

“**Contested Taxes**” is defined in Section 5.8.

“**Contingent Obligation**” is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but “Contingent Obligation” does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“**Control Agreement**” is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Agent pursuant to which Agent obtains control (within the meaning of the Code) for the benefit of the Lenders over such Deposit Account, Securities Account, or Commodity Account.

“**Copyrights**” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“**Credit Extension**” is any Term Loan Advance, or any other extension of credit by any Lender for Borrower’s benefit.

“**Default Rate**” is defined in Section 2.3(b).

“**Deposit Account**” is any “**deposit account**” as defined in the Code with such additions to such term as may hereafter be made.

“**Designated Deposit Account**” is the account number ending 027 (last three digits) maintained by Borrower with SVB.

“**Disbursement Letter**” is that certain form attached hereto as Exhibit D.

“**Division**” means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

“**Dollars**,” “**dollars**” or use of the sign “\$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

“**Dollar Equivalent**” is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Agent at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

“**Effective Date**” is defined in the preamble hereof.

“**Equipment**” is all “**equipment**” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“**ERISA**” is the Employee Retirement Income Security Act of 1974, and its regulations.

“**Event of Default**” is defined in Section 8.

“**Exchange Act**” is the Securities Exchange Act of 1934, as amended.

“**Excluded Accounts**” means restricted cash accounts maintained with SVB as security for outstanding Letters of Credit issued by SVB on behalf of Borrower or any of its Subsidiaries.

“**FDA**” means the Food and Drug Administration.

“**Final Payment**” is a payment or payments (in addition to and not in substitution for the regular monthly payments of principal plus accrued interest) equal to the Final Payment Amount, due on the earliest to occur of (a) the Term Loan Maturity Date, (b) the repayment of the Term Loan Advances, (c) as required pursuant to Section 2.2(d) or 2.2(e), or (d) the termination of this Agreement.

“**Final Payment Amount**” is (a) if the Final Payment becomes due pursuant to Section 2.2(d) in connection with a prepayment of less than all of the Term Loan Advances, an amount equal to the amount of the Term Loan Advances being prepaid multiplied by three and ninety five-hundredths of one percent (3.95%) and (b) in all cases other than a prepayment of less than all of the Term Loan Advances pursuant to Section 2.2(d), an amount equal to (i) the original aggregate principal amount of all Term Loan Advances extended by the Lenders to Borrower hereunder multiplied by three and ninety five-hundredths of one percent (3.95%) less (ii) the amount of any Final Payment previously paid pursuant to (a) with respect to any portion of the Term Loan Advances.

“**Financial Statement Repository**” are Agent’s and the Lenders’ e-mail addresses specified in Section 10 or such other means of collecting information approved and designated by Agent after providing notice thereof to Borrower from time to time.

“**Forecast**” means the projections for Borrower as delivered and accepted by Agent and Lenders on March 26, 2021, provided that Borrower may from time to time update the Forecast with a forecast approved by the Board, subject to the consent and approval in writing of Agent and Lenders in their reasonable discretion.

“**Foreign Currency**” means lawful money of a country other than the United States.

“**Foreign Subsidiary**” means any Subsidiary which is not a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

“**Funding Date**” is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

“**FX Contract**” is any foreign exchange contract by and between Borrower and SVB under which Borrower commits to purchase from or sell to SVB a specific amount of Foreign Currency on a specified date.

“**GAAP**” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“**General Intangibles**” is all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“**Governmental Approval**” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“**Governmental Authority**” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“**Guarantor**” is any Person providing a Guaranty in favor of Agent or any Lender.

“**Guaranty**” is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

“**Hercules**” is defined in the preamble hereof.

“**Indebtedness**” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

“**Indemnified Person**” is defined in Section 12.3.

“**Information**” is defined in Section 12.9.

“**Insolvency Proceeding**” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“**Intellectual Property**” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

- (c) its Copyrights, Trademarks and Patents;
- (d) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;
- (e) any and all source code;
- (f) any and all design rights which may be available to such Person;
- (g) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
- (h) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“**Intercompany Note**” means that certain Secured Promissory Note, dated as of July 4, 2019, executed by Australian Subsidiary in favor of Borrower, as amended through the Effective Date.

“**Inventory**” is all “**inventory**” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“**Investment**” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

“**IRC**” is the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder.

“**Key Person**” is Borrower’s President and Chief Executive Officer.

“**Lender**” and “**Lenders**” is defined in the preamble.

“**Lender Entities**” is defined in Section 12.9.

“**Lender Intercreditor Agreement**” is that certain Intercreditor Agreement dated as of the Effective Date by and between Hercules and SVB, as may be amended from time to time in accordance with the provisions thereof.

“**Lenders’ Expenses**” are all of Agent’s and the Lenders’ audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

“**Letter of Credit**” is a standby or commercial letter of credit issued by SVB upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

“**Lien**” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“**Loan Documents**” are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Warrant, the Perfection Certificate, the Lender Intercreditor Agreement, each Disbursement Letter, the ACH Authorization, any Bank Services Agreement, any Control Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or Guarantor, and any other present or future agreement by Borrower and/or Guarantor with or for the benefit of Agent and the Lenders in connection with this Agreement, all as amended, restated, or otherwise modified.

“**Material Adverse Change**” is (a) a material impairment in the perfection or priority of Agent’s, for the ratable benefit of the Lenders, Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

“**Net Product Revenue**” means net product revenue recognized by Borrower (as determined in accordance with GAAP) solely from the sale of ibrexafungerp (which shall not include any revenue under business development or licensing transactions). For the avoidance of doubt, without limiting the foregoing, Net Product Revenue shall not include any of the following to the extent not recognizable as revenue in accordance with GAAP (a) trade, quantity and cash discounts allowed by Borrower, (b) discounts, refunds, rebates, charge backs, retroactive price adjustment and any other allowances which effectively reduce net selling price, (c) product returns and allowances, (d) allowances for shipping or other distribution expenses, (e) set-offs and counterclaims, and (f) any other similar and customary deductions that are typically deducted from gross revenue and not included in net revenue in accordance with GAAP.

“**Obligations**” are Borrower’s obligations to pay when due any debts, principal, interest, fees, Lenders’ Expenses, the Final Payment, the Prepayment Fee and other amounts Borrower owes Agent or any Lender now or later, whether under this Agreement, the other Loan Documents (other than the Warrant), or otherwise, including, without limitation, all obligations relating to Bank Services, if any, and including any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Agent and/or the Lenders, and to perform Borrower’s duties under the Loan Documents (other than the Warrant).

“**OFAC**” is the U.S. Department of Treasury Office of Foreign Assets Control.

“**OFAC Lists**” are, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

“**Operating Documents**” are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“**Participant Register**” is defined in Section 12.2(c).

“**Patents**” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“**Payment/Advance Form**” is that certain form attached hereto as Exhibit C.

“**Payment Date**” is the first (1st) Business Day of each month.

“**Perfection Certificate**” is defined in Section 5.1.

“**Performance Milestone I**” means Borrower has provided Agent and the Lenders with evidence, on or prior to June 30, 2022, satisfactory to Agent and each Lender in their reasonable discretion, that the FDA has approved Borrower’s new drug application for ibrexafungerp for the treatment of patients with vulvovaginal candidiasis with a label claim generally consistent with that sought in Borrower’s new drug application filing.

“**Performance Milestone II**” means both (a) the occurrence of Performance Milestone I and (b) Borrower has provided Agent and the Lenders with evidence, on or prior to June 30, 2022, satisfactory to Agent and each Lender in their reasonable discretion, that Borrower has received positive data (defined as achievement of the protocol-specified primary endpoint with statistical significance and an acceptable safety profile, which together support the filing of a supplemental new drug application as the next immediate step in development) from the Phase 3 study of ibrexafungerp in patients with recurrent vulvovaginal candidiasis.

“**Permitted Acquisition**” means a transaction whereby Borrower acquires, or permits any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, which satisfies each of the following conditions:

- (a) such transaction shall only involve assets located in the United States and entities organized in a jurisdiction in the United States, and the party or parties being acquired is in the same or a substantially similar line of business as Borrower;
- (b) no Event of Default has occurred and is continuing or would exist after giving effect to the transaction and the Lenders have received satisfactory evidence that Borrower is in compliance with all terms and conditions of this Agreement (and that it will be in compliance after giving effect to the transaction);
- (c) the acquisition is approved by the board of directors (or equivalent control group) of all parties to the transaction;
- (d) the total aggregate consideration to be paid by Borrower and its Subsidiaries (excluding the value of Borrower’s or its Subsidiaries’ stock issued by Borrower or its Subsidiaries in satisfaction of the purchase price) in connection with all such transactions in any fiscal year does not exceed Five Million Dollars (\$5,000,000.00) in the aggregate;
- (e) Borrower provides the Lenders (i) written notice of the transaction at least fifteen (15) days before the closing of the transaction, and (ii) copies of the acquisition agreement and other material documents relative to the contemplated transaction and such other financial information, financial analysis, documentation or other information relating to such transaction as the Lenders shall reasonably request at least fifteen (15) days before the closing of the transaction;
- (f) Borrower provides the Lenders, at least fifteen (15) days before the closing of the contemplated transaction, financial statements and a written confirmation, supported by reasonably detailed calculations, that on a pro forma basis (after giving effect to such transaction) Borrower is projected to be in compliance with each of the financial covenants in Section 6.7 for the one (1) year period ending after the proposed date of consummation of such contemplated transaction;
- (g) Borrower is a surviving legal entity after completion of the contemplated transaction;
- (h) the contemplated transaction is consensual and non-hostile;
- (i) no Indebtedness will be incurred, assumed, or would exist with respect to Borrower or its Subsidiaries as a result of the contemplated transaction, other than Permitted Indebtedness, and no Liens will be incurred, assumed, or would exist with respect to the assets of Borrower or its Subsidiaries as a result of the contemplated transaction, other than Permitted Liens;
- (j) the acquisition and the company being acquired is accretive in all respects;

(k) any Person whose capital stock is acquired or any Subsidiary that acquires assets in such contemplated transaction shall, within forty-five (45) days of the consummation of the transaction, become a co-borrower or guarantor (as determined by the Lenders in their reasonable discretion) hereunder and shall grant a first priority Lien in all of its assets to Agent, for the ratable benefit of the Lenders, all on documentation acceptable to Agent in its reasonable discretion; and

(l) Borrower shall have delivered to the Lenders, at least five (5) Business Days prior to the date on which any such acquisition is to be consummated (or such later date as is agreed by the Lenders in their sole discretion), a certificate of a Responsible Officer of Borrower, in form and substance reasonably satisfactory to the Lenders, certifying that all of the requirements set forth in this definition have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition.

“Permitted Convertible Debt Financing” means issuance by Borrower after the Effective Date of convertible notes in an aggregate principal amount of not more than Two Hundred Fifty Million Dollars (\$250,000,000.00); provided that such convertible notes shall (a) have a scheduled maturity no earlier than six (6) months after the Term Loan Maturity Date, (b) not be secured by a Lien on any of Borrower’s assets or property, (c) not be guaranteed by any Subsidiary of Borrower that is not a Borrower, (d) contain usual and customary subordination terms for underwritten offerings of senior subordinated convertible notes and (e) specifically designate this Agreement and all Obligations as “designated senior indebtedness” or a similar term so that the subordination terms referred to in clause (d) of this definition specifically refer to such notes as being subordinated to the Obligations pursuant to such subordination terms.

“Permitted Indebtedness” is:

- (a) Borrower’s Indebtedness to Agent and the Lenders under this Agreement and the other Loan Documents;
- (b) Indebtedness existing on the Effective Date which is shown on the Perfection Certificate (other than Indebtedness in favor of Puissance Life Science Opportunities Fund VI);
- (c) Subordinated Debt;
- (d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;
- (e) Indebtedness consisting of Permitted Convertible Debt Financing in an aggregate principal amount not exceeding Two Hundred Fifty Million Dollars (\$250,000,000.00);
- (f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;
- (g) Contingent Obligations of any Subsidiary with respect to obligations of Borrower (provided that the primary obligations are not prohibited hereby) and Contingent Obligations of any Subsidiary that is not a Borrower hereunder with respect to obligations of any other Subsidiary (provided that the primary obligations are not prohibited hereby);
- (h) Indebtedness secured by Liens permitted under clause (c) of the definition of “Permitted Liens” hereunder;
- (i) Indebtedness in respect of guarantees, bank guarantees, surety or performance bonds and similar instruments issued for Borrower’s account in the ordinary course of Borrower’s business or the account of any Subsidiary of Borrower in the ordinary course of Borrower’s business in order to provide security for: (A) workers’ compensation claims, unemployment insurance and other types of social security and employee health and disability benefits, or casualty-liability insurance, payment obligations in connection with self-insurance or similar requirements; and (B) tenders, completion guarantees, statutory obligations, surety, environmental or appeal bonds, bids, leases, performance bonds or other obligations of a like nature;

- (j) advances or deposits received in the ordinary course of business from customers, collaboration partners or vendors;
- (k) to the extent constituting Indebtedness, Permitted Investments;
- (l) Indebtedness owing as of the Effective Date pursuant to the Intercompany Note;
- (m) if SVB and SVB's Affiliates are unable to provide a particular type of credit card or letter of credit banking service to any Subsidiary of Borrower or any Guarantor in a country or countries outside of the United States, unsecured Indebtedness in connection with such services in such country or countries in an aggregate amount not exceeding Fifty Thousand Dollars (\$50,000.00);
- (n) other unsecured Indebtedness (other than Indebtedness in connection with business credit cards or letters of credit) not otherwise permitted by Section 7.4 not exceeding Two Hundred Fifty Thousand Dollars (\$250,000.00) in the aggregate outstanding at any time; and
- (o) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (n) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

“Permitted Investments” are:

- (a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date which are shown on the Perfection Certificate (but specifically excluding any future Investments in any Subsidiaries unless otherwise permitted hereunder);
- (b) (i) Investments consisting of Cash Equivalents and (ii) any Investments permitted by Borrower's investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by the Lenders;
- (c) Investments (i) in Borrower or any Subsidiary that is a Borrower or a Secured Guarantor, (ii) by any Subsidiary that is not a Borrower or Guarantor in any other such Subsidiary or (iii) by Borrower in Foreign Subsidiaries of Borrower formed after the Effective Date (which shall exclude, without limitation, Australian Subsidiary) for the ordinary and necessary current operating expenses of such Foreign Subsidiaries in an amount not to exceed Two Million Dollars (\$2,000,000.00) in the aggregate in any fiscal year;
- (d) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;
- (e) Investments consisting of deposit accounts (but only to the extent that Borrower is permitted to maintain such accounts pursuant to Section 6.6 of this Agreement) in which Agent, for the ratable benefit of the Lenders, has a first priority perfected security interest;
- (f) Investments accepted in connection with Transfers permitted by Section 7.1;
- (g) Investments in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in the aggregate in any fiscal year consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by the Board;
- (h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (i) shall not apply to Investments of Borrower in any Subsidiary;

(j) joint ventures or strategic alliances in the ordinary course of Borrower's business, provided that (i) any licensing arrangement in connection with such joint ventures or strategic alliances shall be subject to Section 7.1 and (ii) any cash investments by Borrower do not exceed Five Hundred Thousand Dollars (\$500,000.00) in the aggregate in any fiscal year;

(k) Investments constituting Permitted Acquisitions;

(l) Indebtedness of Australian Subsidiary owed to Borrower permitted under clause (l) of the definition of "Permitted Indebtedness" hereunder, to the extent constituting an Investment;

(m) other Investments not otherwise permitted by Section 7.7 not exceeding Two Hundred Fifty Thousand Dollars (\$250,000.00) in the aggregate in any fiscal year.

"Permitted Liens" are:

(a) Liens existing on the Effective Date which are shown on the Perfection Certificate or arising under this Agreement or the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on Borrower's Books, provided that no notice of any such Lien has been filed or recorded under the IRC;

(c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than Two Hundred Fifty Thousand Dollars (\$250,000.00) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Agent, for the ratable benefit of the Lenders, a security interest therein;

(g) non-exclusive licenses of Intellectual Property granted to third parties in the ordinary course of business, and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discrete geographical areas outside of the United States;

(h) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances affecting real property not likely to result in a material adverse effect on Borrower's business;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7;

(j) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that (i) Agent, for the ratable benefit of the Lenders, has a first priority perfected security interest in the amounts held in such deposit and/or securities accounts (ii) such accounts are permitted to be maintained pursuant to Section 6.6 of this Agreement;

(k) Liens to secure the performance of bids, trade contracts (other than for borrowed money), contracts for the purchase of property permitted hereunder, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case, incurred in the ordinary course of business, not representing an obligation for borrowed money;

(l) Liens consisting of security deposits with respect to Borrower's leased locations as security for Borrower's obligations under the lease agreements for such locations in an aggregate amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000.00) at any time;

(m) Liens in favor of SVB on Excluded Accounts;

(n) Liens on Australian Subsidiary's assets in favor of Borrower pursuant to the Intercompany Note;

(o) Liens securing Subordinated Debt in favor of Amplity, Inc. so long as (i) such Liens are subordinated to Agent's Liens on terms acceptable to the Lenders, and (ii) such Liens do not cover any property not subject to Agent's Liens; and

(p) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (o) but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase.

“**Permitted Repurchase**” means each of the following: (a) the repurchase of the stock of former or current employees, officers, directors or consultants pursuant to stock repurchase agreements or termination of employment or service, (b) the purchase for value any rights distributed in connection with any stockholder rights plan, (c) the purchase of warrants or other agreements to acquire such capital stock that is in the money, (d) the purchase of capital stock pledged as collateral for loans to employees and (e) the purchase of fractional shares of capital stock arising out of stock dividends, splits or combinations or business combinations or in connection with exercises or conversions of options, warrants and other convertible securities.

“**Person**” is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

“**Prepayment Fee**” shall be an additional fee, payable to the Lenders, with respect to the Term Loan Advances, upon the prepayment in full or in part of the Term Loan Advances, in an amount equal to (a) two and one-half of one percent (2.50%) of the principal amount of the prepaid portion of the Term Loan Advances if the prepayment is made on or prior to the first (1st) anniversary of the Effective Date, (b) one and one-half of one percent (1.50%) of the principal amount of the prepaid portion of the Term Loan Advances if the prepayment is made after the first (1st) anniversary of the Effective Date but on or prior to the second (2nd) anniversary of the Effective Date, (c) three-quarters of one percent (0.75%) of the principal amount of the prepaid portion of the Term Loan Advances if the prepayment is made after the second (2nd) anniversary of the Effective Date but on or prior to the third (3rd) anniversary of the Effective Date and (d) zero percent (0.0%) if the prepayment is made after the third (3rd) anniversary

of the Effective Date. Notwithstanding the foregoing, each Lender agrees to waive its Pro Rata Share of the Prepayment Fee if the Term Loan Advances are prepaid in full in accordance with Section 2.2(d) in connection and simultaneously with the refinancing of the Term Loan Advances by the Lenders in the Lenders' sole and absolute discretion.

"Prime Rate" is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Agent, the "Prime Rate" shall mean the rate of interest per annum announced by SVB as its prime rate in effect at its principal office in the State of California (such SVB announced Prime Rate not being intended to be the lowest rate of interest charged by SVB in connection with extensions of credit to debtors); provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Pro Rata Share" is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by *dividing* the outstanding principal amount of Term Loan Advances held by such Lender by the aggregate outstanding principal amount of all Term Loan Advances.

"Puissance Note Documents" means (i) that certain Senior Convertible Note Purchase Agreement, dated as of March 7, 2019, by and between Borrower, as issuer, and Puissance Life Science Opportunities Fund VI, as the investor and (ii) that certain 6.0% Senior Convertible Note due 2025, dated as of March 7, 2019, executed by Borrower in favor of Puissance Life Science Opportunities Fund VI, in each case as amended, modified, supplemented and/or restated from time to time.

"Register" is defined in Section 12.2(b).

"Registered Organization" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"Representatives" is defined in Section 12.9.

"Requirement of Law" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" is any of the Chief Executive Officer, President, Chief Financial Officer, and Controller of Borrower.

"Restricted License" is any material license or other material agreement (other than off-the-shelf software licenses and open source licenses) with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with Agent's right to sell any Collateral.

"Revenue-Based Availability Amount" is (a) as of any date of determination during the period commencing on January 1, 2022 through and including December 31, 2022, an amount equal to Borrower's Net Product Revenue for the three (3) month period ended on the last day of the immediately preceding month multiplied by five (5), (b) as of any date of determination during the period commencing on January 1, 2023 through and including June 30, 2023, an amount equal to Borrower's Net Product Revenue for the three (3) month period ended on the last day of the immediately preceding month multiplied by four and one-quarter (4.25) and (c) as of any date of determination during the period commencing on July 1, 2023 through and including December 31, 2023, an amount equal to Borrower's Net Product Revenue for the three (3) month period ended on the last day of the immediately preceding month multiplied by three and three-quarters (3.75).

“**SEC**” shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“**Secured Guarantor**” is a Guarantor which has granted Agent, for the ratable benefit of the Lenders, a first-priority Lien in such assets of the Guarantor consistent with the description of the Collateral hereunder (as if the Collateral were deemed to pertain to such Guarantor), and has executed and delivered to Agent and the Lenders such agreements, certificates and other documents in connection with the foregoing as required by Agent and the Lenders.

“**Securities Account**” is any “**securities account**” as defined in the Code with such additions to such term as may hereafter be made.

“**Subordinated Debt**” is indebtedness incurred by Borrower subordinated to all of Borrower’s now or hereafter indebtedness to Agent and the Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Agent and the Lenders entered into between Agent, the Lenders and the other creditor), on terms acceptable to Agent and the Lenders.

“**Subsidiary**” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or Guarantor.

“**SVB**” is defined in the preamble hereof.

“**Term Loan A Advance**” is defined in Section 2.2(a).

“**Term Loan Advance**” and “**Term Loan Advances**” are each defined in Section 2.2(a).

“**Term Loan B Advance**” and “**Term Loan B Advances**” are each defined in Section 2.2(a).

“**Term Loan B Draw Period**” is the period of time commencing upon the later to occur of (a) June 1, 2021 and (b) the occurrence of the Performance Milestone I and continuing through the earlier to occur of (i) June 30, 2022, and (ii) the occurrence of an Event of Default.

“**Term Loan C Advance**” is defined in Section 2.2(a).

“**Term Loan C Draw Period**” is the period of time commencing upon the later to occur of (a) September 30, 2021 and (b) occurrence of the Performance Milestone II and continuing through the earlier to occur of (i) June 30, 2022, and (ii) the occurrence of an Event of Default.

“**Term Loan Commitment**” means, for any Lender, the obligation of such Lender to make a Term Loan Advance as and when available, up to the principal amount shown on Schedule 1. “**Term Loan Commitments**” means the aggregate amount of such commitments of all Lenders.

“**Term Loan Commitment Percentage**” means, as to any Lender at any time, the percentage (carried out to the fourth decimal place) of the Term Loan Commitments represented by such Lender’s Term Loan Commitment at such time. The initial Term Loan Commitment Percentage of each Lender is set forth opposite the name of such Lender on Schedule 1.

“**Term Loan D Advance**” and “**Term Loan D Advances**” are each defined in Section 2.2(a).

“**Term Loan D Draw Period**” is the period of time commencing upon the latest to occur of (a) the occurrence of the Performance Milestone I and (b) January 1, 2022 and continuing through the earlier to occur of (i) December 31, 2023, and (ii) the occurrence of an Event of Default.

“**Term Loan Maturity Date**” means March 3, 2025, provided, however, that if, prior to the foregoing date, Borrower provides evidence to Agent and the Lenders, satisfactory to the Lenders in their reasonable discretion, that (a) all Indebtedness of Borrower owed to Puissance Life Science Opportunities Fund VI (or its successors and permitted assigns) pursuant to the Puissance Note Documents has been paid in full with the prior written consent of Agent and the Lenders, (b) the full amount of Indebtedness of Borrower owed to Puissance Life Science Opportunities Fund VI (or its successors and permitted assigns) pursuant to the Puissance Note Documents has been converted to equity securities of Borrower or (c) the Puissance Note Documents have been amended to provide that the earliest scheduled maturity date with respect to such Indebtedness is no earlier than June 1, 2025, the Term Loan Maturity Date will be May 1, 2025.

“**Trademarks**” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“**Transfer**” is defined in Section 7.1.

“**U.S. Person**” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the IRC.

“**Warrant**” is, collectively, (a) that certain Warrant to Purchase Stock dated as of the Effective Date between Borrower and Hercules and (b) that certain Warrant to Purchase Stock dated as of the Effective Date between Borrower and SVB, in each case as amended, modified, supplemented and/or restated from time to time.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date

BORROWER:

SCYNEXIS, INC.

By /s/ Eric Francois

Name: Eric Francois

Title: Chief Financial Officer

AGENT:

HERCULES CAPITAL, INC., as Agent

By /s/ Jennifer Choe

Name: Jennifer Choe

Title: Associate General Counsel

LENDERS:

SILICON VALLEY BANK

By /s/ Michael McMahon

Name: Michael McMahon

Title: Director

HERCULES CAPITAL, INC.

By /s/ Jennifer Choe

Name: Jennifer Choe

Title: Associate General Counsel

[Signature Page to Loan and Security Agreement]

List of Exhibits

Schedule 1: Lends and Commitments Term Loan Commitments

Exhibit A: Collateral Description

Exhibit B: Compliance Statement

Schedule 1 to Compliance Statement Financial Covenants of Borrower

Exhibit C: Loan Payment/Advance Request Form

Exhibit D: Form of Disbursement Letter

Exhibit E: ACH Debit Authorization Agreement

SCYNEXIS Non-Employee Director Compensation Policy
Revised June 2021

Our non-employee directors are compensated in accordance with the following policy:

Each non-employee director receives an annual base cash retainer of \$40,000 for such service, to be paid quarterly. In addition, the chairman of the Board receives an additional annual base cash retainer of \$30,000, to be paid quarterly.

In addition, each member of a committee receives compensation for service on a committee as follows:

- a. The chairperson of the Audit Committee receives an annual cash retainer of \$15,000 for this service, paid quarterly, and each of the other members of the Audit Committee receives an annual cash retainer of \$7,500, paid quarterly.
- b. The chairperson of the Compensation Committee receives an annual cash retainer of \$11,000 for this service, paid quarterly, and each of the other members of the Compensation Committee receives an annual cash retainer of \$5,500, paid quarterly.
- c. The chairperson of the Nominating and Corporate Governance Committee receives an annual cash retainer of \$8,000 for this service, paid quarterly, and each of the other members of the Nominating and Corporate Governance Committee receives an annual cash retainer of \$4,000, paid quarterly.

The Board has established our non-employee director compensation policy with respect to equity grants to provide that each year on the first business day following the company's annual meeting of stockholders, each non-employee director will automatically be granted an option to purchase 10,000 shares of the company's common stock. These annual grants will have an exercise price per share equal to the fair market value of a share of common stock on the date of grant and will vest in full on the one-year anniversary of the grant date, provided that the non-employee director is providing continuous services on the applicable vesting date. If a new board member joins the Board, the director will be granted an initial option to purchase 15,000 shares. Initial option grants to new board members will have an exercise price per share equal to the fair market value of a share of common stock on the date of grant and will vest over three years following the date of grant, with one-third of the options vesting on the first anniversary of the date of grant and the balance vesting equally monthly over the remaining two-year period.

In addition, each non-employee director may elect to receive nonstatutory stock options in lieu of all or a portion of the cash compensation to which the non-employee director would otherwise be entitled to, as described above. Each non-employee director shall make their election prior to the period in which the compensation is to be earned. For each non-employee director electing to receive a nonstatutory stock option in lieu of such cash compensation, the date on which the nonstatutory stock options will be granted will be the date on which the cash compensation would otherwise have been earned, which is generally the first business day of each fiscal quarterly period, and the number of shares underlying such stock option will be determined by (i) dividing the cash compensation that the non-employee director elects to forgo in exchange for such nonstatutory stock options by 0.65, and (ii) dividing the result by the fair market value of a share of common stock on the date of grant. Each nonstatutory stock option granted in lieu of cash compensation pursuant to a non-employee director's election will be 100% vested on the date of grant. After a non-employee director has elected to receive nonstatutory stock options in lieu of cash compensation, the option grants made to that non-employee director are awarded automatically pursuant to the previously described policy and no further action is required by the company's Board.

CERTIFICATIONS

I, Marco Taglietti, certify that:

1. I have reviewed this Form 10-Q of SCYNEXIS, 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(s) 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(s) 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 15, 2021

/s/ Marco Taglietti, M.D.

Marco Taglietti, M.D.
Chief Executive Officer
Principal Executive Officer

CERTIFICATIONS

I, Eric Francois, certify that:

1. I have reviewed this Form 10-Q of SCYNEXIS, 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(s) 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(s) 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
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- 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 14, 2021

/s/ Eric Francois

Eric Francois
Chief Financial Officer
Principal Financial Officer

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Marco Taglietti, Chief Executive Officer of SCYNEXIS, Inc. (the "Company"), and Eric Francois, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2021, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned have set their hands hereto as of August 15, 2021.

/s/ Marco Taglietti, M.D.

Marco Taglietti, M.D.
Chief Executive Officer

/s/ Eric Francois

Eric Francois
Chief Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of SCYNEXIS, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.