Risk Factors Comparison 2025-02-10 to 2024-02-09 Form: 10-K

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The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward- looking statements we have made in this Annual Report on Form 10- K and those we may make from time to time. If any of the following risks actually occur, our business, operating results, prospects or financial condition could be harmed. Additional risks not presently known to us, or that we currently deem immaterial, may also affect our business operations. Summary Risk Factors We face risks and uncertainties related to our business, many of which are beyond our control. In particular, risks associated with our business include: • We may not be able to continue to successfully commercialize INGREZZA or any of our ~~other products, or any of our~~ product candidates if they are approved in the future. • **We may not be able to successfully launch CRENESSITY. •** If physicians and patients do not continue to accept INGREZZA or do not accept **CRENESSITY** ~~any of our other products~~, or our sales and marketing efforts are not effective, we may not generate sufficient revenue. • ~~Enacted healthcare reform, drug pricing measures and other recent legislative initiatives, including the Inflation Reduction Act of 2022, could adversely affect our business. • Our business could be adversely affected by the effects of health pandemics or epidemics, which could also cause significant disruption in the operations of third- party manufacturers, contract research organizations (CROs), or other third parties upon whom we rely. •~~ We face intense competition, and if we are unable to compete effectively, the demand for our products may be reduced **. • Government and third- party payors may impose sales and pharmaceutical pricing controls on our products, or limit coverage and / or reimbursement for our products or impose policies and / or make decisions regarding the status of our products that could limit our product revenues and delay sustained profitability** . • Because the development of our product candidates is subject to a substantial degree of technological uncertainty, we may not succeed in developing any of our product candidates. • Our clinical trials may be delayed for safety or other reasons, or fail to demonstrate the safety and efficacy of our product candidates, which could prevent or significantly delay their regulatory approval. • **Enacted healthcare reform, drug pricing measures and other recent legislative initiatives, including the Inflation Reduction Act of 2022, could adversely affect our business. •** We **have increased** ~~depend on our current collaborators for~~ the **size of our organization and will need to continue to increase the size of our organization. We may encounter difficulties with managing our growth, which could adversely affect our results of operations. • We are transforming our research and** development ~~and commercialization~~ **strategies to include the development** of ~~several of~~ **biologics, which requires substantial investment, including in personnel and facilities. We may encounter difficulties as we expand and may fail to successfully develop** ~~our~~ **or** ~~products and~~ **commercialize our biologic** product candidates ~~and may need~~ **, which could adversely affect our results of operations. • If we are unable** to ~~enter into~~ **retain and recruit qualified scientists and other employees or if any of our key senior executives discontinues his or her employment with us, it may delay our development efforts or impact our commercialization of INGREZZA, CRENESSITY, or any product candidate approved by the FDA in the** future ~~collaborations to develop and commercialize certain of our product candidates~~ . • Use of our approved products or those of our collaborators could be associated with side effects or adverse events ~~. • We have increased the size of our organization and will need to continue to increase the size of our organization. We may encounter difficulties with managing our growth, which could adversely affect our results of operations. • If we are unable to retain and recruit qualified scientists and other employees or if any of our key senior executives discontinues his or her employment with us, it may delay our development efforts or impact our commercialization of INGREZZA or any of our other products, or any product candidate approved by the FDA in the future. • We currently have no manufacturing capabilities. If third- party manufacturers of INGREZZA or any of our other products, or any of our product candidates fail to devote sufficient time and resources to our concerns, or if their performance is substandard, our clinical trials and product introductions may be delayed, and our costs may rise~~ . • We currently depend on a limited number of third- party suppliers. The loss of these suppliers, or delays or problems in the supply of INGREZZA ~~or any of~~ **, CRENESSITY,** ~~our~~ **or** ~~other~~ **our** ~~products~~ **product candidates** , could materially and adversely affect our ability to successfully **develop or** commercialize INGREZZA **, CRENESSITY,** or any of our **product candidates. • We currently have no manufacturing capabilities. If third- party manufacturers of INGREZZA, CRENESSITY, or any of our product candidates fail to devote sufficient time and resources to our concerns, or if** ~~other~~ **their performance is substandard, our ability to commercialize existing** products **, conduct clinical trials and develop new products could be impaired and our costs may rise. • We depend on our current collaborators for the development and commercialization of several of our products and product candidates and may need to enter into future collaborations to develop and commercialize certain of our product candidates** . • We license some of our core technologies and drug candidates from third parties. If we default on any of our obligations under those licenses, or violate the terms of these licenses, we could lose our rights to those technologies and drug candidates or be forced to pay damages. • If we are unable to protect our intellectual property, our competitors could develop and market products based on our discoveries, which may reduce demand for our products ~~. • Government and third- party payors may impose sales and pharmaceutical pricing controls on our products, or limit coverage and / or reimbursement for our products or impose policies and / or make decisions that regarding the status of our products that could limit our product revenues and delay sustained profitability. • Our indebtedness could expose us to risks that could adversely affect our business, financial condition and results of operations. • We have a history of losses and expect to increase our expenses for the foreseeable future, and we may not be able to sustain profitability~~ . • Our customers are concentrated and therefore the loss of a significant customer may harm our business. • We may need additional capital in the future. If we cannot raise additional funding, we may be unable to fund our

business plan and our future research, development, commercial and manufacturing efforts. **• We expect to increase our expenses for the foreseeable future, and we may not be able to sustain growth and profitability.** Risks Related to Our Company **We launched INGREZZA in the U. S. as the first FDA- approved drug for the treatment of tardive dyskinesia in May 2017 and for the treatment of chorea associated with Huntington' s disease in August 2023.** Our ability to produce INGREZZA revenues consistent with expectations ultimately depends on our ability to continue to successfully commercialize INGREZZA and secure **and maintain** adequate third- party reimbursement. Our experience in marketing and selling pharmaceutical products began with INGREZZA' s approval in 2017, when we hired our sales force and established our distribution and reimbursement capabilities, all of which are necessary to successfully commercialize our current and future products. We have continued to invest in our commercial infrastructure and distribution capabilities, including the **recent** expansion of our ~~specialty~~ **psychiatry and long- term care** sales **teams** ~~force~~ -- **for INGREZZA** ~~, which we announced~~ in **September** ~~the third quarter of 2021~~ **2024** ~~and completed in April 2022~~ . While our team members and consultants have experience marketing and selling pharmaceutical products, we may face difficulties related to managing the rapid growth of our personnel and infrastructure, and there can be no guarantee that we will be able to maintain the personnel, systems, arrangements and capabilities necessary to continue to successfully commercialize INGREZZA or any ~~of our other products, or any~~ product candidate approved by the FDA, or equivalent foreign authorities, in the future. In **December 2024, we announced FDA approval and launched CRENESSITY capsules and oral solution as an adjunctive treatment to glucocorticoid replacement to control androgens in adult and pediatric patients four years of age and older with classic CAH. We have also established our commercial team and hired our U. S. sales force for CRENESSITY. The successful commercial launch of CRENESSITY depends on the extent to which patients and physicians accept and adopt CRENESSITY as a treatment for CAH, and we do not know whether our expectations or estimates in this regard, or those of investors or securities analysts, will be accurate. Physicians may not prescribe CRENESSITY and patients may be unwilling to use CRENESSITY. In** addition, **patients may be unwilling to use CRENESSITY if reimbursement is not provided or reimbursement is inadequate to cover a significant portion of the cost to the patient. CRENESSITY is a first- in- class therapy for children and adults with classic CAH and will therefore require us to expend substantial time and resources to educate physicians and other healthcare providers about the benefits of CRENESSITY. If we are unable to provide our sales force with effective materials, including medical and sales literature to help them inform and educate potential customers about the benefits of CRENESSITY, our efforts to commercialize CRENESSITY may not be successful. Further, any negative publicity related to CRENESSITY, or negative development for CRENESSITY in our post-marketing commitments or in regulatory processes in other jurisdictions, may adversely impact the potential of CRENESSITY and our commercial results. If the commercialization of CRENESSITY and future sales are less successful than anticipated by us or our investors or securities analysts, our stock price could decline and** our business ~~has been and~~ may ~~continue to~~ be ~~adversely~~ **harmed. The commercial success of INGREZZA and CRENESSITY will depend upon the acceptance of these products as safe and effective by the medical community and patients. The market acceptance of INGREZZA and CRENESSITY could be** affected by ~~the effects~~ **a number** of ~~health pandemics~~ **factors, including: • the timing of receipt of marketing approvals** ~~or~~ **for** ~~epidemics. In parts~~ **additional indications; • the safety and efficacy** of **the products; • the pricing of** ~~the~~ **these** ~~country, some hospitals,~~ **products; • the availability of healthcare payor coverage and adequate reimbursement for the products; • public perception regarding of these products; • the success of existing competitor products addressing our target markets or the emergence of equivalent or superior products; and • the cost- effectiveness of the products. If the medical** community ~~mental health facilities~~ , **patients** and **payors do not continue to accept our products as being safe, effective, superior and / or cost effective, we may not generate sufficient revenue. The biotechnology and pharmaceutical industries are subject to rapid and intense technological change. We face, and will continue to face, competition in the development and marketing of our products and product candidates from academic institutions, government agencies, research institutions and biotechnology and pharmaceutical companies. Competition may also arise from, among** other ~~healthcare facilities continue to have policies that limit access~~ **things: • other drug development technologies; • methods** of **preventing** ~~our~~ - **or** ~~sales representatives~~ **reducing the incidence of disease** , ~~medical affairs personnel~~ **including vaccines;** and ~~patients to such facilities~~ **• new small molecule or other classes of therapeutic agents** . ~~In addition,~~ **Developments by others (including the development of generic equivalents)** ~~many~~ - **may render our product candidates** ~~healthcare practitioners have adopted telehealth for~~ - **or technologies obsolete** ~~patient interactions, which may impact the ability of the healthcare practitioner to screen for~~ - **or noncompetitive. We are commercializing** and ~~diagnose~~ **performing research on or developing products for the treatment of several disorders, including** tardive dyskinesia ~~or~~ **,** chorea associated with Huntington' s disease ~~. The commercial success of INGREZZA or any of our~~ **, classic congenital adrenal hyperplasia, uterine fibroids, endometriosis, pain, Parkinson' s disease, schizophrenia, epilepsy, and** other **neurology, neuroendocrinology,** ~~products will depend upon the acceptance of those products as safe~~ and **neuropsychiatry- related diseases** ~~effective by the medical community~~ and **disorders, and** ~~patients. The market acceptance of INGREZZA or any of our other~~ - **there are** ~~products could be affected by~~ a number of ~~factors,~~ **competitors to our products and product candidates. If one or more of our competitors' products or programs are successful (** including ~~the development of generic equivalents),the market for our products may be reduced or eliminated.• INGREZZA competes with AUSTEDO ® (deutetrabenazine),marketed by Teva Pharmaceuticals Industries,for the treatment of tardive dyskinesia in~~ adults and chorea associated with Huntington' s disease.A once- daily dosing of AUSTEDO (AUSTEDO XR) was introduced in February 2023.Additionally,there are a number of commercially available medicines used to treat tardive dyskinesia off- label,such as XENAZINE ® (tetrabenazine) and generic equivalents,and various antipsychotic medications (e.g.,clozapine),anticholinergics,benzodiazepines (off- label),and botulinum toxin.In addition,there are several programs in clinical development by other companies targeting Huntington' s disease.• ~~CRENESSITY~~ **ORILISSA and ORIAHNN each**

~~competes~~ **compete** with **several FDA- approved products for the treatment of endometriosis,uterine fibroids,infertility and central precocious puberty.Additionally,there is also competition from surgical intervention,including hysterectomies and ablations.Separate from these options,there are many programs in clinical development which serve as potential future competition.Lastly,there are numerous medicines used to treat the symptoms of disease (vs.endometriosis or uterine fibroids directly) which may also serve as competition:oral contraceptives,NSAIDs and other pain medications,including opioids.• For CAH,** high ~~dose~~ **doses of** ~~corticosteroid~~ **corticosteroids are** ~~monotherapy which is~~ the current standard of care to both correct the endogenous cortisol deficiency as well as reduce the excessive **ACTH** ~~adrenocorticotropic hormone~~ levels ~~for patients with CAH~~ .In ~~the U.S.alone,there are more than two dozen companies manufacturing steroid- based products.In addition,there are several programs in clinical development by other companies targeting CAH.• Our investigational treatments for potential use in schizophrenia and depression may in the future compete with several development~~ : • **capital resources** ~~the timing of receipt of marketing approvals for additional indications~~ ; • **sales** ~~the safety~~ and **marketing experience** ~~efficacy of the products~~ ; • ~~the pricing of our products~~ **research and development resources, including personnel and technology** ; • **regulatory experience** ~~the availability of healthcare payor coverage and adequate reimbursement for the products~~ ; • **preclinical study and clinical testing experience** ~~public perception regarding any products we may develop~~ ; • **manufacturing,** ~~the success of existing competitor products addressing our target markets~~ **marketing and distribution experience** ~~or the emergence of equivalent or superior products~~ ; and • ~~the cost- effectiveness of the products~~ **production facilities** . **Moreover** ~~If the medical community~~ , **increased competition in certain disorders or therapies may make it more difficult for us to recruit or enroll** patients **in** ~~and payors do not continue to accept our products as being safe, effective, superior and / or~~ **our clinical trials for similar disorders or therapies** ~~cost- effective, we may not generate sufficient revenue~~ . Government and third- party payors may impose sales and pharmaceutical pricing controls on our products or limit coverage and / or reimbursement for our products or impose policies and / or make decisions regarding the status of our products that could limit our product revenues and delay sustained profitability. Our ability to continue to commercialize INGREZZA **and** successfully **launch and commercialize CRENESSITY** ~~or any of our other products~~ will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available. The continuing efforts of government and third- party payors to contain or reduce the costs of healthcare and the price of prescription drugs through various means may impact our revenues. These payors' efforts could decrease the price that we receive for any products we may develop and sell in the future. Assuming we obtain coverage for a given product by a third- party payor, the resulting reimbursement rates may not be adequate or may require co- payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third- party payors to reimburse all or part of the costs associated with their prescription drugs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the out- of- pocket cost of our products. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available regardless of whether they are approved by the FDA for that particular use. Coverage decisions by payors for our competitors' products may also impact coverage for our products. Government authorities and other third- party payors are developing increasingly sophisticated methods of controlling healthcare costs, such as by limiting coverage and the amount of reimbursement for particular medications. Further, no uniform policy requirement for coverage and reimbursement for drug products exists among third- party payors in the U. S. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process is often a time- consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. In addition, communications from government officials, media outlets, and others regarding healthcare costs and pharmaceutical pricing could have a negative impact on our stock price, even if such communications do not ultimately impact coverage or reimbursement decisions for our products. There may also be significant delays in obtaining coverage and reimbursement for newly approved drugs or indications, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. In addition, we could also be subject to amendments in our rebate agreements with pharmaceutical benefit managers that require us to pay larger rebate amounts or modify our formulary position, which could have a material adverse effect on our business. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. For example, government authorities could make a decision that adversely impacts the status of one of our products, which could impact the eligibility and / or the amount of government reimbursement for that product. As a pharmaceutical manufacturer, we are subject to various federal statutes and regulations requiring the reporting of price data and the subsequent provision of concessions to certain purchasers / payors, including state Medicaid programs. Federal agencies issue guidance to manufacturers related to the interpretation of laws and regulations, and this guidance has changed and may change or be updated over time. In interpreting these laws, regulations and guidance, manufacturers may make reasonable assumptions to fill gaps, and these reasonable assumptions may need to be updated upon issuance of additional agency guidance. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may be unable to successfully commercialize INGREZZA **, CRENESSITY,** or any of our ~~other products, or any other~~ product ~~candidate~~ **candidates** for which we obtain marketing approval in the future. Our inability to promptly obtain coverage and profitable reimbursement rates from both government- funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition. Further, a majority of our current revenue is derived from

federal healthcare program payors, including Medicare and Medicaid. Thus, changes in government reimbursement policies, government negotiation of the price of any of products, reductions in payments and / or our suspension or exclusion from participation in federal healthcare programs could have a material adverse effect on our business. Further, ~~during the COVID- 19 pandemic,~~ the use of physician telehealth services ~~rapidly~~ **has continued to** ~~increased~~ **increase** , fueled by an unprecedented expansion of coverage and reimbursement for telehealth services across public and private insurers. The limitations that telehealth places on the ability to conduct a thorough physical examination may impact the ability of providers to screen for ~~movement disorders~~ **tardive dyskinesia or chorea associated with Huntington' s disease** , leading to fewer patients being diagnosed and / or treated. Outside the ~~United States~~ **U. S.** , reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. The EU provides options for EU Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. An EU Member State may approve a specific price for the medicinal product, it may refuse to reimburse a product at the price set by the manufacturer or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. To obtain reimbursement for our products in some European countries, including some EU Member States, we may be required to compile additional data comparing the cost- effectiveness of our products to other available therapies. The Health Technology Assessment (HTA) of medicinal products is becoming an increasingly common part of the pricing and reimbursement procedures in some EU Member States, including those representing the larger markets. The ~~HTA process is the procedure to assess therapeutic, economic and societal impact of a given medicinal product in the national healthcare systems of the individual country. The outcome of an HTA will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU Member States. The~~ extent to which pricing and reimbursement decisions are influenced by the HTA of the specific medicinal product currently varies between EU Member States. ~~In December 2021, Regulation No 2021 / 2282 on HTA, amending Directive 2011 / 24 / EU, was adopted in the EU. This regulation, which entered into force in January 2022 will apply as of January 2025. The regulation will permit EU Member States to use common HTA tools, methodologies, and procedures across the EU to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU Member States will continue to be responsible for assessing non- clinical (e. g., economic, social, ethical) aspects of health technologies, and making decisions on pricing and reimbursement.~~ If we are unable to ~~maintain~~ **obtain** favorable pricing and reimbursement status in EU Member States for product candidates that we may successfully develop and for which we may obtain regulatory approval, any anticipated revenue from and growth prospects for those products in the EU could be negatively affected. ~~In light of the fact that the UK has left the EU, Regulation No 2021 / 2282 on HTA will not apply in the UK. However, the MHRA is working with UK HTA bodies and other national organizations, such as the Scottish Medicines Consortium, the National Institute for Health and Care Excellence, and the All- Wales Medicines Strategy Group, to introduce new pathways supporting innovative approaches to the safe, timely and efficient development of medicinal products.~~ Legislators, policymakers **,** and **payors** ~~healthcare insurance funds in the EU and the UK~~ may continue to propose and implement cost- containing measures to keep healthcare costs down ~~, particularly due to the financial strain that the COVID- 19 pandemic has placed on national healthcare systems of European countries~~ . These measures could include limitations on the prices we would be able to charge for product candidates that we may successfully develop and for which we may obtain regulatory approval or the level of reimbursement available for these products from governmental authorities or third- party payors. Further, an increasing number of ~~EU and other foreign~~ countries use prices for medicinal products established in other countries as " reference prices " to help determine the price of the product in their own territory. Consequently, a downward trend in prices of medicinal products in some countries could contribute to similar downward trends elsewhere ~~. The biotechnology and pharmaceutical industries are subject to rapid and intense technological change. We face, and will continue to face, competition in the development and marketing of our products and product candidates from academic institutions, government agencies, research institutions and biotechnology and pharmaceutical companies. Competition may also arise from, among other things: • other drug development technologies; • methods of preventing or reducing the incidence of disease~~ , including ~~vaccines; and • new small molecule or other classes of therapeutic agents. Developments by others (including the development of generic equivalents) may render our product candidates or technologies obsolete or noncompetitive. We are commercializing and performing research on or developing products for the treatment of several disorders including endometriosis, tardive dyskinesia, chorea associated with Huntington' s disease, uterine fibroids, classic congenital adrenal hyperplasia, pain, Parkinson' s disease and other neurology, neuroendocrinology and neuropsychiatry- related diseases and disorders, and there are a number of competitors to our products and product candidates. If one or more of our competitors' products or programs are successful (including the development of generic equivalents), the market for our products may be reduced or eliminated. • INGREZZA competes with AUSTEDO ® (deutetrabenazine), marketed by Teva Pharmaceuticals Industries, for the treatment of tardive dyskinesia~~ in adults and chorea associated with Huntington'..... reduce the excessive ACTH levels. In the U. S ~~. alone, there are more than two dozen companies manufacturing steroid- based products. In addition, there are several programs in clinical development by other companies targeting CAH. • Our investigational treatments for potential use in epilepsy may in the future compete with numerous approved anti- seizure medications and development- stage programs being pursued by several other companies. Commonly used anti- seizure medications include phenytoin, levetiracetam, brivaracetam, cenobamate, carbamazepine, clobazam, lamotrigine, valproate, oxcarbazepine, topiramate, lacosamide, perampanel and cannabidiol, among others. There are currently no FDA- approved treatments specifically indicated for the early infantile epileptic encephalopathy SCN8A- DEE; however, a number of different anti- seizure medications are currently used in these patient populations. • Our investigational treatments for potential use in schizophrenia, anhedonia and depression may in the future compete with several development- stage programs being pursued by other companies. Currently, there are no FDA- approved treatments specifically indicated for anhedonia or CIAS; however, there are a number of different~~

~~anti- psychotic medications currently used in these patient populations. • Our investigational treatments for potential use in neurology, neuroendocrinology and neuropsychiatry may in the future compete with numerous approved products and development- stage programs being pursued by several other companies. Compared to us, many of our competitors and potential competitors have substantially greater: • capital resources; • sales and marketing experience; • research and development resources, including personnel and technology; • regulatory experience; • preclinical study and clinical testing experience; • manufacturing, marketing and distribution experience; and • production facilities. Moreover, increased competition in certain disorders or therapies may make it more difficult for us to recruit or enroll patients in our clinical trials for similar disorders or therapies~~ . Only a small number of research and development programs ultimately result in commercially successful drugs. Potential products that appear to be promising at early stages of development may not reach the market for a number of reasons. These reasons include the possibilities that the potential products may: • be found ineffective or cause harmful side effects during preclinical studies or clinical trials; • fail to receive necessary regulatory approvals on a timely basis or at all; • be precluded from commercialization by proprietary rights of third parties; • be difficult to manufacture on a large scale; or • be uneconomical to commercialize or fail to achieve market acceptance. If any of our product candidates encounters any of these potential problems, we may never successfully market that product candidate. ~~Our clinical trials may be delayed for safety or other reasons or fail to demonstrate the safety and efficacy of our product candidates, which could prevent or significantly delay their regulatory approval.~~ Before obtaining regulatory approval for the sale of any of our potential products, we must subject these product candidates to extensive preclinical and clinical testing to demonstrate their safety and efficacy for humans. Clinical trials are expensive, time ~~-~~consuming and may take years to complete and the outcomes are uncertain. In connection with the clinical trials of our product candidates, we face the risks that: • the FDA or similar foreign regulatory authority may not allow an IND or foreign equivalent filings required to initiate human clinical studies for our drug candidates or the FDA or similar foreign regulatory authorities may require additional preclinical studies as a condition of the initiation of Phase 1 clinical studies, or additional clinical studies for progression from Phase 1 to Phase 2, or Phase 2 to Phase 3, or for NDA approval; • the product candidate may not prove to be effective or as effective as other competing product candidates; • we may discover that a product candidate may cause harmful side effects or results of required toxicology or other studies may not be acceptable to the FDA or similar foreign regulatory authorities; • clinical trial results may not replicate the results of previous trials; • ~~the FDA or similar foreign regulatory authorities may require use of new or experimental endpoints that may prove insensitive to treatment effects; •~~ we or the FDA or similar foreign regulatory authorities may suspend or vary the trials; • the results may not be statistically significant; • clinical site initiation or patient recruitment and enrollment may be slower or more difficult than expected; • the FDA or similar foreign regulatory authorities may not accept the data from any trial or trial site outside of the U. S.; • **a study is compromised due to** patients **dropping** ~~may drop~~ out ~~of~~ **and not completing** the trials; • unforeseen disruptions or delays may occur, caused by man- made or natural disasters ~~or ,~~ public health pandemics or epidemics **, armed conflicts, trade restrictions** or other business interruptions ~~, including, for example, the conflict between Russia and Ukraine and the conflict in the Middle East~~ ; and • regulatory requirements may change. These risks and uncertainties impact all of our clinical programs and any of the clinical, regulatory or operational events described above could change our planned clinical and regulatory activities. **Geopolitical tensions could also affect our ability to obtain supplies of our investigational products, which could cause delays** ~~For~~ **or otherwise disrupt our clinical trials** ~~example, the conflict between Russia~~ and ~~Ukraine~~ **research and development efforts. Some of our suppliers and research collaborators are located in China , exposing us to the possibility of supply disruption in the event of changes to the laws, rules, regulations, and policies of the governments of the U. S. or China. Any such changes to laws or the adoption of tariffs or** ~~together~~ **---** **other restrictions could impact our ability to contract** with ~~sanctions imposed~~ **certain Chinese biotechnology companies, cause delays, or have other adverse effects** on **the** ~~Russia, caused us to suspend all planned clinical trial activities in Russia and Ukraine. As a result, our planned clinical~~ development ~~timelines for valbenazine and luvadaxistat were significantly delayed while we identified and operationalized alternative clinical trial sites, which we have now done. Additionally, any~~ of **certain** ~~these events described above could result in suspension~~ of ~~a~~ **our research** ~~program~~ **programs** ~~and / or obviate any filings for necessary regulatory approvals~~ . In addition, late- stage clinical trials are often conducted with patients having the most advanced stages of disease. During the course of treatment, these patients can die or suffer other adverse medical effects for reasons that may not be related to the pharmaceutical agent being tested but which can nevertheless adversely affect clinical trial conduct, completion and results. Any failure or substantial delay in completing clinical trials for our product candidates may severely harm our business. Even if the clinical trials are successfully completed, we cannot guarantee that the FDA or **similar** foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. **The** ~~To the extent that the results of the trials are not satisfactory to the~~ FDA ~~or~~ **and similar** foreign regulatory authorities **have substantial discretion in the approval process and may either refuse to accept an application for substantive review or may** ~~for~~ **form** ~~support~~ **the opinion after review of an application that the application is insufficient to allow approval** of a ~~marketing~~ **product candidate. To the extent that the FDA or similar foreign regulatory authorities do not accept our** application ~~, approval of our product candidates may be significantly delayed, or~~ **for review or approve our application,** we may be required to expend significant additional resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. ~~able to timely or successfully establish such capabilities.Consequently,we depend on,and will continue to depend on,several contract manufacturers for all production of products for development and commercial purposes,including INGREZZA and CRENESSITY.If we are unable to obtain or retain third- party manufacturers,we will not be able to develop or commercialize our products,including INGREZZA and CRENESSITY.The manufacture of our products for clinical trials and commercial purposes is subject to specific FDA and equivalent foreign regulations,including current Good Manufacturing Practice regulations.Our third- party manufacturers might not comply with~~ FDA or equivalent foreign regulations relating to manufacturing our products for clinical trials and commercial

purposes or other regulatory requirements now or in the future.Our reliance on contract manufacturers also exposes us to the following risks:• contract manufacturers may encounter difficulties in achieving volume production,quality control or quality assurance,and also may experience shortages in qualified personnel or materials and ingredients necessary to conduct their operations.As a result,our contract manufacturers might not be able to meet our clinical schedules or adequately manufacture our products in commercial quantities when required;• switching manufacturers may be difficult because the number of potential manufacturers is limited.It may be difficult or impossible for us to find a replacement manufacturer quickly on acceptable terms,or at all;• our contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to successfully produce,store or distribute our products;and • drug manufacturers are subject to ongoing periodic unannounced inspection by the FDA,the U.S.Drug Enforcement Administration,equivalent foreign regulatory authorities,and other agencies to ensure strict compliance with cGMP and other government regulations and corresponding foreign standards. **We do not have control over** ~~Any delay,interruption,or other issue that arises in the manufacture of our products or product candidates as a result of a failure of a~~ third- party ~~manufacturer~~ **manufacturers '** ~~to pass regulatory inspections or maintain cGMP~~ compliance **with these regulations and standards** ~~could significantly impair our ability to develop,obtain approval for,or successfully commercialize our products~~ .Our current dependence upon third parties for the manufacture of our products may reduce our profit margin,if any,on the sale of INGREZZA ~~,CRENESSITY~~ **or any of our other products** ,or our future products and our ability to develop and deliver products on a timely **and competitive basis.The manufacture of pharmaceutical products requires significant expertise and capital investment,including the development of process controls required to consistently produce the active pharmaceutical ingredients (API),the finished drug product and packaging in sufficient quantities while meeting detailed product specifications on a repeated basis.Manufacturers of pharmaceutical products may encounter difficulties in production,such as difficulties with production costs and yields,process controls,quality control and quality assurance,including testing of stability,impurities and impurity levels and other product specifications by validated test methods,compliance with strictly enforced U.S.,state and non- U.S.regulations,and disruptions or delays caused by man- made or natural disasters,pandemics or epidemics,or other business interruptions.We depend on** We depend on our current collaborators for the development and commercialization of several of our products and product candidates and may need to enter into future collaborations to develop and commercialize certain of our product candidates. For example, we depend on AbbVie for the manufacture and commercialization of ORILISSA and ORIAHNN and for the continued development of elagolix. We collaborate with MTPC for the commercialization of DYSVAL in Japan and for the continued development and commercialization of valbenazine for movement disorders in other select Asian markets. ~~Our additional~~ **Some of our other** collaborators include **Nxera Pharma UK Limited (formerly Sosei Heptares)** ~~Xenon Pharmaceuticals, Inc., Idorsia Pharmaceuticals Ltd.~~ , Takeda Pharmaceutical Company Limited, ~~Heptares Therapeutics Limited and~~ Voyager Therapeutics **, Inc., and Xenon Pharmaceuticals** , Inc. Our current and future collaborations and licenses could subject us to a number of risks, including: • strategic collaborators may sell, transfer or divest assets or programs related to our partnered product or product candidates; • we may be required to undertake the expenditure of substantial operational, financial and management resources; • we may be required to assume substantial actual or contingent liabilities; • we may not be able to control the amount and timing of resources that our strategic collaborators devote to the development or commercialization of our products or product candidates; • we may not be able to influence our strategic collaborator' s decisions regarding the development and collaboration of our partnered product and product candidates, and as a result, our collaboration partners may not pursue or prioritize the development and commercialization of those partnered products and product candidates in a manner that is in our best interest; • strategic collaborators may select indications or design clinical trials in a way that may be less successful than if we were doing so; • strategic collaborators may not conduct collaborative activities in a timely manner, provide insufficient funding, terminate a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new version of a product candidate for clinical testing; • strategic collaborators may not pursue further development and commercialization of products resulting from the strategic collaboration arrangement or may elect to discontinue research and development programs; • disagreements or disputes may arise between us and our strategic collaborators that result in delays or in costly litigation or arbitration that diverts management' s attention and consumes resources; • strategic collaborators may experience financial difficulties; • strategic collaborators may not properly maintain, enforce or defend our intellectual property rights or may use our proprietary information in a manner that could jeopardize or invalidate our proprietary information or expose us to potential litigation; • we or strategic collaborators could terminate the arrangement (in whole or in part) or allow it to expire, which would delay the development and commercialization, result in disagreements or disputes or may increase the cost of developing and commercializing our products or product candidates; ~~and~~ • strategic collaborators could develop, either alone or with others, products or product candidates that may compete with ours **; and • our strategic collaborator' s decisions regarding the development and commercialization of a partnered product or product candidate within their territory (ies) could negatively impact us in the territories where we have development and commercialization rights for such product or product candidate** . If any of these issues arise, it may delay and / or negatively impact the development and commercialization of drug candidates and, ultimately, our generation of product revenues . As with most pharmaceutical products,..... our business, prospects and financial condition . We are dependent on licenses from third parties for some of our key technologies. These licenses typically subject us to various commercialization, reporting and other obligations. If we fail to comply with these obligations, we could lose important rights. If we were to default on our obligations under any of our licenses, we could lose some or all of our rights to develop, market and sell products covered by these licenses. In addition, several of our collaboration and license agreements allow our licensors to terminate such agreements if we challenge the validity or enforceability of certain intellectual property rights or if we commit a material breach in whole or in part of the agreement and do not cure such breach within the agreed upon cure period. In addition, if we were to violate any of the terms of our licenses,

we could become subject to damages. Likewise, if we were to lose our rights under a license to use proprietary research tools, it could adversely affect our existing collaborations or adversely affect our ability to form new collaborations. We also face the risk that our licensors could, for a number of reasons, lose patent protection or lose their rights to the technologies we have licensed, thereby impairing or extinguishing our rights under our licenses with them. As of December 31, 2023,..... may limit their availability to us. We have **entered into agreements** ~~in the past utilized, and intend to continue to utilize, third- party manufacturers to produce the drug compounds we use in our clinical trials and for the commercialization of our products. We have limited experience in manufacturing products for commercial purposes and do not currently have any manufacturing facilities. Establishing internal commercial manufacturing capabilities would require significant time and resources, and we may not be able to timely or~~ **for the distribution** ~~successfully establish such capabilities. Consequently, we depend on, and will continue to depend on, several contract manufacturers for all production~~ of ~~products for development and commercial purposes, including~~ INGREZZA ~~. If we are unable to obtain or retain third- party manufacturers, we will not be able to develop or commercialize our products, including INGREZZA. The manufacture of our products for clinical trials and commercial purposes is subject to specific FDA and equivalent foreign regulations, including current Good Manufacturing Practice regulations. Our third- party manufacturers might not comply~~ with FDA or equivalent foreign regulations relating to..... other business interruptions. We depend on a limited number of **specialty pharmacy providers** ~~suppliers for the production~~ and **distributors** ~~packaging of INGREZZA and its API~~ . ~~If our~~ **Four of** ~~third- party suppliers for INGREZZA encounter~~ these **customers represented approximately 93 % of** ~~or~~ **our total product sales** ~~any other manufacturing, quality or~~ **for 2024** ~~compliance difficulties, we may be unable to meet commercial demand for INGREZZA, which could materially~~ and ~~adversely affect~~ **approximately 98 % of** our ~~ability to successfully commercialize INGREZZA~~ **accounts receivable balance as of December 31, 2024** . In addition, **CRENESSITY is distributed by one specialty pharmacy provider. If any of our significant customers becomes subject to bankruptcy, is unable to pay us for our products or wants to terminate their relationship with us, or** if ~~our suppliers fail~~ **we otherwise lose any of these significant customers,** ~~or~~ **our** ~~refuse~~ **revenue, results of operations and cash flows would be adversely affected. Also, we may need** to ~~supply us~~ **enter into agreements** with **additional distributors** ~~INGREZZA or its API for~~ ~~-~~ **or** ~~any~~ **specialty pharmacy providers, and there is no guarantee that we will be able to do so on commercially** ~~reason~~ **reasonable** ~~, it would take~~ **terms or at all. Even if we replace the loss of** a significant ~~amount of time and expense to qualify~~ **customer, we cannot predict with certainty that such transition would not result in** a **decline** ~~new supplier. The FDA and similar foreign regulatory authorities must approve manufacturers of the active and inactive pharmaceutical ingredients and certain packaging materials used~~ in ~~pharmaceutical products. The loss of a supplier could require us to obtain regulatory clearance and to incur validation and other costs associated with the transfer of the API or~~ **our** ~~product manufacturing processes~~ **revenue, results of operations and cash flows** . **Our future funding** ~~If there are delays in qualifying new suppliers or facilities or if a new supplier is unable to meet FDA or a similar foreign regulatory authority's~~ requirements **will** ~~for approval, there could be a shortage of INGREZZA, which could materially and adversely affect our ability to successfully commercialize INGREZZA. The independent clinical investigators and contract research organizations that we rely upon to conduct our clinical trials may not be diligent, careful or timely, or may make mistakes in the conduct of our trials. We~~ depend on ~~independent~~ **many factors and we may need to raise additional capital to fund our business plan and our future research, development, commercial and manufacturing efforts. Our future capital requirements will depend on many factors, including: • the commercial success of INGREZZA and CRENESSITY; • the cost of commercialization activities and arrangements, including advertising campaigns; • continued scientific progress in our R & D and** clinical ~~investigators and CROs to conduct our clinical trials under their agreements with us. The investigators are not our employees, and we cannot control the amount or timing of resources that they devote to our programs. If our independent investigators fail to devote sufficient time and resources to our drug~~ development programs , or if their performance is substandard....., or voluntary or mandatory product recalls ; • ~~fines, warning~~ **the magnitude and complexity of** ~~or~~ **our** ~~untitled letters or holds on~~ **research and development programs; • progress with preclinical testing and** clinical trials; • ~~refusal by~~ the ~~FDA or similar foreign~~ **time and costs involved in obtaining** regulatory ~~authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of product license~~ approvals; • ~~adverse inspection findings~~ **the cost involved in filing and pursuing patent applications, enforcing patent claims, or engaging in interference proceedings** or other ~~activities that temporarily delay manufacture~~ **patent litigation; • costs associated with securing adequate coverage** and ~~distribution of~~ **reimbursement for** our products; • **competing technological and market developments** ~~product seizure or detention, or refusal to permit the import or export of products~~ ; ~~and~~ • **developments related to** ~~product injunctions or the imposition of civil or criminal penalties. The occurrence of~~ any ~~of~~ **future litigation; •** ~~these~~ ~~--~~ **the cost of manufacturing** ~~events may adversely affect our business, prospects and ability to achieve or~~ **our** ~~sustain profitability on a sustained basis. If the market opportunities for our products and~~ product candidates ~~are smaller than~~ **; • the impact of pandemics or epidemics on our business; and • the cost of any strategic alliances, collaborations, product in- licensing, or acquisitions. We may seek additional funding through public or private sales of our securities, including equity securities. In addition,** we ~~believe they are, our expected revenues may be adversely affected, and our business may suffer. Certain of the diseases that INGREZZA, crinecerfont, and our other product candidates are being developed to address are in underserved and underdiagnosed populations. Our projections of both the number of people who~~ have **previously financed capital purchases and may continue to pursue opportunities to obtain debt financing in** ~~these~~ ~~--~~ **the future. Additional equity** ~~diseases, as well as the subset of people with these diseases who will seek treatment utilizing our~~ - **or debt financing might** ~~products or product candidates, may~~ not be **available** ~~accurate. If our estimates of the prevalence or number of patients potentially~~ on ~~therapy prove to~~ **reasonable terms, if at all. Any additional equity financings will** be **dilutive to** ~~inaccurate, the market opportunities for INGREZZA, crinecerfont, and~~ our **stockholders** ~~other product candidates may be smaller than we believe they are, our prospects for generating expected revenue may be adversely affected~~ and ~~our~~

~~business~~ **any debt financings** may **involve** ~~suffer. Because our~~ operating results may vary significantly in future periods..... incur may contain financial and other restrictive covenants that **restrict** ~~limit our ability to operate~~ our business ~~, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full. Since our inception, we have incurred significant net losses and negative cash flow from operations. As of December 31, 2023, we had an accumulated deficit of $ 157. 1 million as a result of historical operating losses~~ . We received FDA approval for INGREZZA for tardive dyskinesia in April 2017 and for chorea associated with Huntington' s disease in August 2023. **We received FDA approval for CRENESSITY capsules and oral solution as an adjunctive treatment to glucocorticoid replacement to control androgens in adult and pediatric patients four years of age and older with classic CAH in December 2024.** Our partner AbbVie received FDA approval for ORILISSA for endometriosis in July 2018 and for ORIAHNN for uterine fibroids in May 2020. Additionally, our partner MTPC received Japanese Ministry of Health, Labour **,** and Welfare approval for DYSVAL for the treatment of tardive dyskinesia in March 2022. However, we have not yet obtained regulatory approvals for any other product candidates. Even if we continue to succeed in commercializing INGREZZA, or are successful in ~~developing and~~ commercializing **CRENESSITY or** any of our ~~other~~ product candidates, we may not be able to sustain profitability. We also expect to continue to incur significant operating and capital expenditures as we: • commercialize INGREZZA for tardive dyskinesia and chorea associated with Huntington' s disease **; • commercially launch CRENESSITY as an adjunctive treatment to glucocorticoid replacement to control androgens in adult and pediatric patients four years of age and older with classic CAH** ; • seek regulatory approvals for our product candidates or for additional indications for our current products; • develop, formulate, manufacture and commercialize our product candidates; • in- license or acquire new product development opportunities; • implement additional internal systems and infrastructure; and • hire additional clinical, scientific, sales ~~and~~ **,** marketing **and administrative** personnel. We expect to increase our expenses and other investments in the coming years as we fund our operations and capital expenditures. Thus, our future operating results and profitability may fluctuate from period to period due to the factors described above, and we will need to generate significant revenues to achieve and maintain profitability and positive cash flow on a sustained basis. We may not be able to generate these revenues, and we may never achieve profitability on a sustained basis in the future **. In addition, there is no guarantee that our prioritization determinations regarding our R & D and clinical development programs, including the acceleration or discontinuation of certain programs and product candidates, will generate their expected benefits and / or meet investor expectations. Our prioritization decisions may also adversely affect other internal programs and initiatives as well as our ability to recruit and retain skilled and motivated personnel** . Our failure to maintain or increase profitability on a sustained basis could negatively impact the market price of our common stock. ~~administrative action or as a result of legal challenges,either in the United States or abroad.If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies,or if we are not able to maintain regulatory compliance,our business could be materially harmed.If the market opportunities for our products and product candidates are smaller than we believe they are,our expected revenues may be adversely affected,and our business may suffer.Certain of the diseases that INGREZZA,CRENESSITY,and our product candidates are being developed to address are in underserved and underdiagnosed populations.Our projections of both the number of people who have these diseases,as well as the subset of people with these diseases who will seek treatment utilizing our products or product candidates,may not be accurate.If our estimates of the prevalence or number of patients potentially on therapy prove to be inaccurate,the market opportunities for INGREZZA,CRENESSITY,and our product candidates may be smaller than we believe they are,our prospects for generating expected revenue may be adversely affected and our business may suffer.Because our operating~~ results may vary significantly in future periods,our stock price may decline.Our quarterly revenues,expenses and operating results have fluctuated in the past and are likely to fluctuate significantly in the future.Our financial results are unpredictable and may fluctuate,for among other reasons,due to seasonality and timing of customer purchases and commercial sales of INGREZZA ~~and CRENESSITY~~ ,royalties from out- licensed products,the impact of Medicare Part D coverage,including redesign of the Part D benefit enacted as part of the Inflation Reduction Act,our achievement of product development objectives and milestones,clinical trial enrollment and expenses,research and development expenses and the timing and nature of contract manufacturing,contract research payments,fluctuations in our effective tax rate, **and** disruptions caused by man- made or natural disasters ~~,~~ **or** public health pandemics or epidemics ~~,armed conflicts,trade restrictions,~~ or other business interruptions **,including,for example,the conflict between Russia and Ukraine,or in the Middle East** .Because a majority of our costs are predetermined on an annual basis,due in part to our significant research and development costs,small declines in revenue could disproportionately affect financial results in a quarter.Thus,our future operating results and profitability may fluctuate from period to period,and even if we become profitable on a quarterly or annual basis,we may not be able to sustain or increase our profitability.Moreover,as our company and our market capitalization have grown,our financial performance has become increasingly subject to quarterly and annual comparisons with the expectations of securities analysts or investors.The failure of our financial results to meet these expectations,either in a single quarterly or annual period over a sustained period time,could cause our stock **price to decline.In May 2017,we sold $ 517.5 million aggregate principal amount of the 2024 Notes.In 2020,we entered into separate,privately negotiated transactions with certain holders of the 2024 Notes to repurchase $ 136.2 million aggregate principal amount of the 2024 Notes for an aggregate repurchase price of $ 186.9 million in cash.In 2022,we entered into separate,privately negotiated transactions with certain holders of the 2024 Notes to repurchase $ 210.8 million aggregate principal amount of the 2024 Notes for an aggregate repurchase price of $ 279.0 million in cash.As of December 31,2023,$ 170.4 million aggregate principal amount of the 2024 Notes remained outstanding.We may also incur additional indebtedness to meet future financing needs.Our business may not generate sufficient funds,and we may otherwise be unable to maintain sufficient cash reserves,to pay amounts due under the 2024 Notes and any additional**

indebtedness that we may incur.In addition,any future indebtedness that we may incur may contain financial and other restrictive Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flows, financial condition or results of operations. ~~Effective January 1, 2022, legislation~~ **New tax laws or regulations could be** enacted ~~in 2017~~ **at any time** , ~~informally titled~~ **and existing tax laws or regulations could be interpreted, modified or applied in a manner that is adverse to us or our customers, which could adversely affect our business and financial condition. For example,** the Tax Cuts and Jobs Act of 2017 **, the Coronavirus Aid, Relief, and Economic Security Act and the Inflation Reduction Act enacted many significant changes to the U. S. tax laws. Among other changes, the Tax Cuts and Jobs Act** eliminated the option to deduct research and development expenses for tax purposes in the year incurred and requires taxpayers to capitalize and subsequently amortize such expenses over five years for research activities conducted in the U. S. and over 15 years for research activities conducted outside the U. S. ~~Unless~~ **If** the **requirement** ~~U. S. Department of the Treasury issues regulations that narrow the application of this provision~~ to **amortize** ~~a smaller subset of our~~ research and development **expenditures** ~~expenses or the provision~~ is ~~deferred,~~ **not repealed or otherwise** modified, **it will continue to have** ~~or repealed by Congress, we expect a material decrease in our cash flows from operations and~~ an **adverse effect on** ~~offsetting similarly sized increase in~~ our ~~net deferred~~ tax ~~assets over~~ **liability. Furthermore, our tax obligations and effective tax rate in** ~~these~~ -- **the jurisdictions in which** ~~amortization periods. The actual impact of this provision will depend on multiple factors, including the amount of research and development expenses we will incur and whether~~ we conduct ~~our research and~~ **business could increase as a result of international tax** ~~development~~ **developments** ~~activities inside~~ **, including the implementation of the Organization** ~~or~~ **for** ~~outside~~ **Economic Co- operation and Development' s (OECD) Base Erosion and Profit Shifting " Two- Pillar " framework, which involves the reallocation of taxing rights in respect of certain multinational enterprises above a fixed profit margin to the jurisdictions in which** ~~the~~ **they** ~~U~~ **carry on business (referred to as Pillar One) and the imposition of a minimum effective corporate tax rate (referred to as Pillar Two)** . ~~S. In addition~~ **Certain countries in which we conduct business have enacted** , **or are in the process of enacting, core provisions of the Pillar Two rules. We continue to evaluate and assess the potential impact of these** new ~~income~~ **rules** , **including on** ~~sales, use, excise or~~ **our** ~~other~~ **effective tax rate, and our eligibility to qualify for transition and safe harbor. Any changes in** tax laws, ~~statutes, rules, regulations~~ **including any new tax legislation** or ~~ordinances~~ **initiatives,** could ~~be enacted at any time~~ **not only significantly increase our tax provision** , ~~which~~ **cash tax liabilities, and effective tax rate, but** could **also** ~~adversely affect our business and financial condition. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, modified or applied adversely to us. For example, the Tax Cuts and Jobs Act of 2017, the Coronavirus Aid, Relief, and Economic Security Act and the Inflation Reduction Act enacted many significant changes to the U. S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to such legislation may affect us, and certain aspects of such legislation could be repealed or modified in future legislation. Furthermore, it is uncertain if and to what extent various states will conform to federal tax laws. Future tax reform legislation could~~ have a material impact on the value of our deferred tax assets, ~~could~~ result in significant one- time charges ~~,~~ and ~~could~~ **ongoing compliance costs, and** increase our future ~~U. S.~~ tax expense ~~. Our ability to use tax attributes may be limited. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an " ownership change, " which is generally defined as a greater than 50 % change, by value, in its equity ownership over a three- year period, the corporation' s ability to use certain pre- change federal tax attributes such as research and development tax credits to offset its post- change income or taxes may be limited. Based on completed Section 382 analysis done annually, we do not believe we have experienced any previous ownership changes, but the determination is complex and there can be no assurance we are correct. Furthermore, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes, including net operating loss (NOL) carryforwards. In addition, at the state level, there may be periods during which the use of NOLs or credits is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, we may be unable to use all or a material portion of our NOLs, research and development credits, and other tax attributes, which could adversely affect our future cash flows~~ . Our effective tax rate may fluctuate, and we may incur obligations in tax jurisdictions in excess of accrued amounts **. We have a multinational tax structure and are subject to income tax in the U. S. and various foreign jurisdictions, including the United Kingdom and Switzerland** . Our effective tax rate is **influenced by** ~~derived from a combination of applicable tax rates in the various places that we operate. In preparing our financial statements, we estimate the amount of tax that will become payable in each such place. Nevertheless, our effective tax rate may~~ **many** ~~be different than experienced in the past due to numerous~~ factors ~~,~~ including ~~the impact of stock- based compensation,~~ changes in **our operating structure, changes in** the mix of our **earnings among countries** ~~profitability from jurisdiction to jurisdiction~~ , ~~the results of examinations and audits of~~ our ~~tax filings~~ **allocation of profits and losses among our subsidiaries, our intercompany transfer pricing agreements and rules relating to transfer pricing** , our inability to secure or sustain acceptable agreements with tax authorities, **the impact of stock- based compensation, the availability of U. S. research and development tax credits, the results of examinations and audits of our tax filings,** changes in accounting for income taxes **,** and **future** changes in tax laws ~~. Any of~~ **and regulations in** ~~these~~ -- **the** ~~factors~~ **U. S. and foreign countries. Significant judgment is required in determining our tax liabilities including management' s judgment for uncertain tax positions. The Internal Revenue Service, other domestic taxing authorities, or foreign taxing authorities may disagree with our interpretation of tax laws as applied to our operations. Our reported effective tax rate and after- tax cash flows may be materially and adversely affected by tax assessments in excess of amounts accrued for our financial statements. This** could cause us to experience an effective tax rate significantly different from previous periods or our current expectations ~~and may result in tax obligations in excess of amounts accrued in our financial statements~~ . The price of our common stock is volatile. The market prices for securities of biotechnology and pharmaceutical

companies historically have been highly volatile, and the market for these securities has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. **For** ~~The COVID- 19 pandemic, for~~ example, ~~negatively affected the stock market and investor sentiment and resulted in significant volatility, as has~~ the applicability of the Medicare drug price negotiation provisions in the Inflation Reduction Act **negatively affected investor sentiment and resulted in significant volatility** . Furthermore, especially as we and our market capitalization have grown, the price of our common stock has been increasingly affected by quarterly and annual comparisons with the valuations and recommendations of the analysts who cover our business. If our results do not meet these analysts' forecasts, the expectations of our investors or the financial guidance we provide to investors in any period, which is based on assumptions that may be incorrect or that may change from quarter to quarter, the market price of our common stock could decline. Over the course of the last 12 months, the price of our common stock has ranged from approximately $ ~~89~~ **111** per share to approximately $ ~~143~~ **158** per share. The market price of our common stock may fluctuate in response to many factors, including: • sales of INGREZZA and ~~our other products~~ **CRENESSITY; • failure of CRENESSITY to achieve commercial success** ; • the results of our clinical trials; • reports of safety issues related to INGREZZA ~~, ORILISSA, ORIAHNN, DYSVAL,~~ or **CRENESSITY; •** any ~~of~~ **delay in filing an IND, NDA, marketing authorization application (MAA),** ~~our~~ **or** other **regulatory submission for any of our** ~~products~~ **product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory agency' s review of that IND, NDA, MAA, or other regulatory submission** ; • developments concerning new and existing collaboration agreements; • announcements of technological innovations or new therapeutic products by us or others, including our competitors; • general economic and market conditions, including economic and market conditions affecting the biotechnology industry; • developments in patent or other proprietary rights; • developments related to the FDA, CMS and foreign regulatory agencies; • government regulation, including the Inflation Reduction Act; • future sales of our common stock by us or our stockholders **; • any trading activity pursuant to a share repurchase program** ; • comments by securities analysts; • additions or departures of key personnel; • fluctuations in our operating results; • potential litigation matters; • government and third- party payor coverage and reimbursement; • failure of any of our product candidates ~~, if approved,~~ to achieve commercial success **even if approved** ; • disruptions caused by man- made or natural disasters, **public health** pandemics or epidemics **, armed conflicts, trade restrictions,** or other business interruptions ~~, including, for example, the COVID- 19 pandemic and the conflict between Russia and Ukraine~~ ; and • public concern as to the safety of our drugs. In addition, we are a member of the S & P MidCap 400 index. If we cease to be represented in the S & P MidCap 400 index, or other indexes or indexed products, as a result of our market capitalization falling below the threshold for inclusion in the index, certain institutional shareholders may, due to their internal policies and investment guidelines, be required to sell their shareholdings. Such sales may result in further negative pressure on our stock price and, when combined with reduced trading volume and liquidity, could adversely affect the value of your investment and your ability to sell your shares. ~~We have~~ **There can be no assurance that any share repurchases will enhance long- term stockholder value. In October 2024, our Board of Directors authorized a share repurchase program to repurchase up to $ 300 million of our common stock and we subsequently** entered into ~~agreements for the distribution of INGREZZA with a limited number of specialty pharmacy providers and~~ **an accelerated** ~~distributors, and all of our product sales of INGREZZA are~~ **share** ~~to these customers. Four of these customers represented approximately 91 % of our total product sales for 2023 and approximately 98 % of our accounts receivable balance as of December 31, 2023. If any of these significant customers becomes subject to bankruptcy, is unable to pay us for our products or is acquired by a company that wants to terminate the relationship with us, or if we otherwise lose any of these significant customers, our revenue, results of operations and cash flows would be adversely affected. Even if we replace the loss of a significant customer, we cannot predict with certainty that such transition would not result in a decline in our revenue, results of operations and cash flows. Our future funding requirements will depend on many factors and we may need to raise additional capital to fund our business plan and our future research, development, commercial and manufacturing efforts. Our future capital requirements will depend on many factors, including: • the commercial success of INGREZZA, ORILISSA, ORIAHNN, DYSVAL, and / or any of our other products; • debt services obligations on the 2024 Notes; • continued scientific progress in our R & D and clinical development programs; • the magnitude and complexity of our research and development programs; • progress with preclinical testing and clinical trials; • the time and costs involved in obtaining regulatory approvals; • the cost involved in filing and pursuing patent applications, enforcing patent claims, or engaging in interference proceedings or other patent litigation; • costs associated with securing adequate coverage and reimbursement for our products; • competing technological and market developments; • developments related to any future litigation; • the cost of commercialization activities and arrangements, including advertising campaigns; • the cost of manufacturing our product candidates; • the impact of the COVID- 19 pandemic or a future pandemic or epidemic on our business; and • the cost of any strategic alliances, collaborations, product in- licensing, or acquisitions. We intend to seek additional funding through strategic alliances and may seek additional funding through public or private sales of our securities, including equity securities. In addition, during the second quarter of 2017, we issued the 2024 Notes and we have previously financed capital purchases and may continue to pursue opportunities to obtain additional debt financing in the future. In 2020, we entered into separate, privately negotiated transactions with certain holders of the 2024 Notes to** repurchase ~~$ 136. 2 million aggregate principal~~ **(ASR) transaction to repurchase the entirety of this authorized** amount ~~of the~~ **. The purchase period for this ASR transaction ended in February** ~~2024~~ **2025 and** ~~Notes for~~ an aggregate **of 2. 3 million shares were delivered to us at an average** repurchase price of $ ~~186~~ **131** . ~~9 million in~~ **83 per share. We can provide no assurance that this or future share repurchases will enhance long- term stockholder value, and it may not prove to be the best use of our** cash. **If** ~~In 2022, we entered into separate, privately negotiated transactions with certain holders of the 2024 Notes to repurchase $ 210. 8 million aggregate principal amount of the 2024 Notes for an aggregate repurchase price of $ 279. 0 million in cash. As of December 31, 2023, $ 170. 4 million aggregate principal amount of the 2024 Notes remained outstanding. Additional equity or~~ **our Board of Directors**

authorizes ~~debt financing might not be available on reasonable terms, if at all. Any additional equity financings will be dilutive to our stockholders and~~ any additional ~~debt financings may involve operating covenants that restrict~~ **stock repurchase programs it could affect the trading price of** our ~~business~~ **stock and increase volatility** . Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses. Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd- Frank Wall Street Reform and Consumer Protection Act, new SEC regulations and Nasdaq rules, are creating uncertainty for companies such as ours. These laws, regulations and standards are subject to varying interpretations in some cases due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. As a result, our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased selling, general and administrative expenses and management time related to compliance activities. If we fail to comply with these laws, regulations and standards, our reputation may be harmed and we might be subject to sanctions or investigation by regulatory authorities, such as the SEC. Any such action could adversely affect our financial results and the market price of our common stock. Increasing use of social media could give rise to liability and result in harm to our business. Our employees are increasingly utilizing social media tools and our website as a means of communication. Despite our efforts to monitor social media communications, there is risk that the unauthorized use of social media by our employees to communicate about our products or business, or any inadvertent disclosure of material, nonpublic information through these means, may result in violations of applicable laws and regulations, which may give rise to liability and result in harm to our business. In addition, there is also risk of inappropriate disclosure of sensitive information, which could result in significant legal and financial exposure and reputational damages that could potentially have a material adverse impact on our business, financial condition and results of operations. Furthermore, negative posts or comments about us or our products on social media could seriously damage our reputation, brand image and goodwill. We may be subject to claims that we or our employees have wrongfully used or disclosed alleged trade secrets of their former employers. As is commonplace in the biotechnology industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. ~~Our business could be adversely affected by the effects of health pandemics or epidemics, which could also cause significant disruption in the operations of third- party manufacturers, CROs, or other third parties upon whom we rely. Our business could be adversely affected by the effects of health pandemics or epidemics, which could also cause significant disruption in the operations of third- party manufacturers, CROs and other third parties upon whom we rely. As a result, we may experience disruptions that could severely impact our supply chain, ongoing and future clinical trials and commercialization of INGREZZA or any of our other products. In response to the COVID- 19 pandemic, we implemented a remote work model for all employees except certain key essential members involved in business- critical activities. Our employees have resumed in- person interactions and have returned to the office under flexible work guidelines. However, a remote work model may nevertheless need to be reinstated at some point in the future. The effects of a remote and flexible work model may negatively impact productivity, disrupt our business and delay our clinical programs and timelines, the magnitude of which will depend on our ability to conduct our business in the ordinary course. Remote work may also create increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. In addition, we may face several challenges or disruptions upon a return back to the workplace, including re- integration challenges by our employees and distractions to management related to such transition. These and similar, and perhaps more severe, disruptions in our operations could negatively impact our business, operating results and financial condition. In addition, clinical site initiation and patient enrollment may be delayed due to concerns for patient safety. Some patients may not be able to comply with clinical trial protocols and our ability to recruit and retain patients, principal investigators and site staff may be hindered, which would adversely impact our clinical trial operations. The ultimate effects of health pandemics or epidemics is highly uncertain and subject to change and these effects could have a material impact on our operations, or the operations of third parties on whom we rely.~~ Risks Related to Our Industry Our success will depend on our ability..... initiatives could adversely affect our business. The business and financial condition of pharmaceutical and biotechnology companies are affected by the efforts of government and third- party payors to contain or reduce the costs of healthcare and to lower drug prices. In the U. S., comprehensive drug pricing legislation enacted by the Federal government implements, for the first time, government control over the pricing of certain prescription pharmaceuticals. Moreover, in some foreign jurisdictions, pricing of prescription pharmaceuticals is also subject to government control. Additionally, other federal and state laws impose obligations on manufacturers of pharmaceutical products, among others, related to disclosure of new drug products introduced to the market and increases in drug prices above a specified threshold. For example, ~~in August 2022, President Biden signed into law~~ the Inflation Reduction Act of 2022, or the IRA, ~~which~~ **provides for** , among other things: (1) ~~directs~~ the Secretary of the HHS to negotiate the price of certain high- expenditure, single- source drugs and biologics covered under Medicare; (2) **the** ~~redesigns~~ **redesign of** the Medicare Part D prescription drug benefit to lower patient out- of- pocket costs and increase manufacturer liability; and (3) ~~requires~~ drug manufacturers to pay rebates on drugs whose prices increase greater than the rate of inflation. The IRA also extends enhanced subsidies for individuals purchasing health insurance coverage in the ACA marketplaces through plan year 2025 and ~~beginning~~ in 2025, ~~eliminates~~ **eliminated** the " donut hole " under the Medicare Part D program and creates a new, permanent cap on beneficiary out- of- pocket spending **for Part D drugs** , in

addition to a newly established manufacturer discount program. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has issued and updated and will continue to issue and update guidance as these programs are implemented. These provisions ~~take~~ **took** effect progressively ~~starting~~ **beginning** in 2023. On August ~~29~~ **15** , ~~2023~~ **2024** , HHS announced the ~~list~~ **negotiated prices** of the first 10 drugs that **were** ~~will be~~ subject to price negotiations, although the Medicare drug price negotiation program is currently subject to legal challenges. ~~It~~ **On January 17, 2025, HHS announced** ~~is~~ **its** ~~currently~~ **selection of fifteen additional drugs covered under Part D for negotiation in 2025 (for initial price applicability year 2027).** ~~uncertain~~ **Certain** ~~how the IRA~~ **high- expenditure Part B and Part D drugs / biologics** will be **selected for negotiation in 2026 (for initial price applicability year 2028)** ~~implemented over time; however, it is likely to have a significant impact on the pharmaceutical industry~~ and **annually thereafter** ~~prescription drug pricing~~ . While the ~~IRA~~ **Medicare** drug price negotiation program targets high- expenditure drugs **/ biologics** that have been on the market for several years without generic or biosimilar competition, we ~~believe we will~~ **were notified in January 2025 that INGREZZA** ~~qualify~~ **qualifies** for the small biotech exception **, which provides an exemption** from **selection until 2027 (for initial price applicability year 2029, pursuant to which negotiated pricing would go into effect, if selected). Additionally, on January 1, 2025, the Centers for Medicare & Medicaid Services (CMS) implemented those provisions of the IRA establishing a new Medicare Part D manufacturer discount program. Under this discount program and subject to certain exceptions, manufacturers must give a 10 percent discount on Part D program drugs in the initial coverage phase, and a 20 percent discount on Part D drugs when the beneficiary enters the catastrophic coverage phase (the phase after the patient incurs costs above the initial phase out- of- pocket threshold, which is $ 2, 000). However, the IRA allows the 10 and 20 percent discounts to be phased in over a multi- year period for " specified manufacturers " and " specified small manufacturers ". During this phase- in period, such manufacturers would pay a lower percentage discount on Medicare Part D program drugs. In April 2024, the Company was notified by CMS that it qualified as a " specified small manufacturer " and will receive the discount phase- in discussed above for INGREZZA. INGREZZA is reimbursed under Medicare Part D, and increased discounts could impact INGREZZA revenues, while also having an industry- wide impact on the cost of other Part D program drugs such as AUSTEDO and AUSTEDO XR, marketed by Teva Pharmaceuticals Industries. The overall impact on INGREZZA revenues is inherently uncertain and difficult to predict and we are still evaluating the potential impact of this discount program and our designation as a " specified small manufacturer. " Our designation as a " specified small manufacturer " under the new Medicare Part D manufacturer discount program and INGREZZA' s qualification for the small biotech exception for purposes of the Medicare drug price** negotiation **program are** ~~that is set to expire in 2029. However, the qualification for this exception is~~ subject to various requirements and there is no assurance that we will continue to qualify for ~~this~~ **these** ~~exemption~~ **exemptions** in the future. **The** ~~Further, the~~ loss ~~of this exception~~ or ~~the~~ potential loss of ~~this~~ **these** ~~exception~~ **exemptions** , including as a result of a **third party acquiring us** ~~potential acquisition or strategic transaction~~ , could have an adverse impact on our business. Prior to the IRA' s enactment, the most significant recent federal legislation impacting the pharmaceutical industry occurred in March 2010, when the ACA was signed into law. The ACA was intended to broaden access to health insurance and reduce the number of uninsured individuals, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add transparency requirements for the healthcare and health insurance industries, impose taxes and fees on the health industry and impose additional health policy reforms. Other legislative changes have been adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2 % per fiscal year pursuant to the Budget Control Act of 2011, which began in 2013 and, due to subsequent legislative amendments to the statute, including the Infrastructure Investment and Jobs Act and Consolidated Appropriations Act of 2023, will remain in effect until 2032. The American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to several providers, including hospitals and cancer treatment centers, increased the statute of limitations period for the government to recover overpayments to providers from three to five years. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. For example, on January 5, 2024, the FDA approved Florida' s SIP proposal to import certain drugs from Canada for specific state healthcare programs. It is unclear how this program will be implemented, including which drugs will be chosen, and whether it will be subject to legal challenges in the ~~United States~~ **U. S.** or Canada. Other states have also submitted SIP proposals that are pending review by the FDA. Any such approved importation plans, when implemented, may result in lower drug prices for products covered by those programs. Further, certain states through legislation have created a state PDAB to help control costs of drugs for that state. The functions of the PDABs vary by state, and may include among other things, recommending or setting upper limits on the price the state pays for certain drugs, performing drug affordability reviews, and advising state lawmakers on additional ways to reduce the state' s drug spending. It is possible that the actions taken by the PDABs may result in lower prices for certain drug products sold in their ~~in~~ states. The implementation of these cost containment measures may prevent us from being able to generate revenue, attain sustained profitability or commercialize our drugs, particularly since the majority of our current revenue is derived from federal healthcare programs, including Medicare and Medicaid. Our success will depend on our ability to,among other things:• obtain patent protection for our products;• preserve our trade secrets;• prevent third parties from infringing upon our proprietary rights;and • operate without infringing upon the proprietary rights of others,both in the U.S.and internationally.Because of the substantial length of time and expense associated with bringing new products through the development and regulatory approval processes in order to reach the marketplace,the pharmaceutical industry places considerable importance on obtaining patent and trade secret protection for new technologies,products and processes.Accordingly,we intend to seek patent protection for our proprietary technology and compounds.However,we face the

risk that we may not obtain any of these patents and that the breadth of claims we obtain,if any,may not provide adequate protection of our proprietary technology or compounds.Additionally,if our employees,commercial collaborators or consultants use generative artificial intelligence (AI) technologies to develop our proprietary technology and compounds,it may impact our ability to obtain or successfully defend certain intellectual property rights.We also rely upon unpatented trade secrets and improvements,unpatented know- how and continuing technological innovation to develop and maintain our competitive position,which we seek to protect,in part,through confidentiality agreements with our commercial collaborators,employees and consultants.We also have invention or patent assignment agreements with our employees and some,but not all,of our commercial collaborators and consultants.However,if our employees,commercial collaborators or consultants breach these agreements,we may not have adequate remedies for any such breach,and our trade secrets may otherwise become known or independently discovered by our competitors.In addition,although we own a number of patents,the issuance of a patent is not conclusive as to its validity or enforceability,and third parties may challenge the validity or enforceability of our patents.We cannot assure you how much protection,if any,will be given to our patents if we attempt to enforce them and they are challenged in court or in other proceedings.It is possible that a competitor may successfully challenge our patents or that challenges will result in limitations of their coverage.Moreover,competitors may infringe our patents or successfully avoid them through design innovation.In addition,potential competitors have in the past and may in the future file an abbreviated new drug application (ANDA) with the FDA seeking approval to market a generic version of our products,or our competitors' products,before the expiration of the patents covering our products or our competitors' products,as applicable.To prevent infringement or unauthorized use,we have in the past and may in the future need to file infringement claims,which are expensive and time-consuming. ~~Refer to Note 13 to the consolidated financial statements for a description of our legal proceedings related to intellectual property matters.~~ In addition,in an infringement proceeding a court may decide that a patent of ours or a patent of a competitor is not valid or is unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover its technology.Derivation proceedings declared by the U.S.Patent and Trademark Office may be necessary to determine the priority of inventions with respect to our patent applications (or those of our licensors) or a patent of a competitor.Litigation or derivation proceedings may fail and,even if successful,may result in substantial costs and be a distraction to management.Litigation or derivation proceedings,including proceedings of a competitor,may also result in a competitor entering the marketplace faster than expected.We cannot assure you that we will be able to prevent misappropriation of our proprietary **rights,particularly in countries where the laws may not protect such rights as fully as in the U.S.** Proposed healthcare reform, drug pricing measures and other prospective legislative initiatives could adversely affect our business. We expect that there will continue to be a number of federal and state proposals to implement additional government controls over the pricing of prescription pharmaceuticals. ~~In addition, increasing~~ **Increasing** emphasis on reducing the cost of healthcare in the U. S. will continue to put pressure on the pricing and reimbursement of prescription pharmaceuticals ~~. For example, in response to the Biden administration' s October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the Center for Medicare and Medicaid Innovation which will be evaluated on their ability to lower the cost of drugs, promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future~~ . In addition, certain jurisdictions outside of the U. S., including the EU, have instituted price ceilings on specific products and therapies, as described further in the risk factor titled " Government and third- party payors may impose sales and pharmaceutical pricing controls on our products or limit coverage and / or reimbursement for our products or impose policies and / or make decisions regarding the status of our products that could limit our product revenues and delay sustained profitability. " We are currently unable to predict what other additional legislation or regulation, if any, relating to the healthcare industry may be enacted in the future or what effect recently enacted federal or equivalent foreign legislation or any such additional legislation or regulation would have on our business **, particularly in light of the recent U. S. Presidential and Congressional elections** . The pendency or approval of such proposals or reforms could result in a decrease in our stock price or limit our ability to raise capital or to enter into collaboration agreements for the further development and commercialization of our programs and products. Any relationships with healthcare professionals, principal investigators, consultants, customers (actual and potential) and third- party payors in connection with our current and future business activities are and will continue to be subject, directly or indirectly, to federal and state healthcare laws. If we are unable to comply, or have not fully complied, with such laws, we could face penalties, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations. Our business operations and activities may be directly, or indirectly, subject to various federal and state healthcare laws, including without limitation, fraud and abuse laws, false claims laws, data privacy and security laws, as well as transparency laws regarding payments or other items of value provided to healthcare providers. These laws may restrict or prohibit a wide range of business activities, including, but not limited to, research, manufacturing, distribution, pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. These laws may impact, among other things, our current activities with principal investigators and research subjects, as well as current and future sales, marketing, patient co- payment assistance and education programs. Such laws include: • the federal Anti- Kickback Statute which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid; • the federal civil and criminal false claims laws, including the federal civil False Claims Act, and Civil Monetary Penalties Laws, which impose criminal and civil penalties against individuals or entities for, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government; • HIPAA, which imposes criminal and civil liability for, among other things, executing a scheme to defraud any healthcare benefit program or making false statements

relating to healthcare matters; • HIPAA, as amended by HITECH and its implementing regulations, which also imposes obligations, including mandatory contractual terms, on covered entities, including certain healthcare providers, health plans and healthcare clearinghouses, as well as their business associates and their covered subcontractors, with respect to safeguarding the privacy, security and transmission of individually identifiable health information; • the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children' s Health Insurance Program, with specific exceptions, to report annually to CMS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners) and teaching hospitals, and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by physicians and their immediate family members; and • analogous state, local and foreign laws and regulations, such as state anti- kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non- governmental third party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry' s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures or drug pricing; state laws that require disclosure of price increases above certain identified thresholds as well as of new commercial launches in the state; state laws that create Prescription Drug Price Affordability Boards to review or attempt to cap drug spending; state and local laws that require the registration of pharmaceutical sales representatives; state and local " drug take back " laws and regulations; and state and foreign laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. While our interactions with healthcare professionals, including our speaker programs and other arrangements have been structured to comply with these laws and related guidance, it is possible that governmental and enforcement authorities will conclude that our business practices, **business practices of our vendors or consultants,** or a rogue employee' s activities, may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws. For example, we maintain a patient assistance program to help eligible patients afford our products. These and other types of programs have become the subject of governmental scrutiny, and numerous organizations, including pharmaceutical manufacturers, have been subject to litigation, enforcement actions and settlements related to their patient assistance programs. If our operations or activities **or those of our vendors** are found to be in violation of any of the laws described above or any other **applicable** governmental regulations ~~that apply to us~~, we may be subject to, without limitation, significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non- compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate. **Any** ~~In addition, any~~ sales of our product once commercialized outside the U. S. will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws **. Additionally, because of our U. S. and international operations, we are also subject to anti-corruption laws and regulations, in the United States and internationally, including but not limited the U. S. Foreign Corrupt Practices (FCPA), the U. K. Bribery Act 2010, and other applicable anti- bribery and corruption laws. Anti-corruption laws are interpreted broadly and prohibit corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity. It is illegal to pay, offer to pay or authorize the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The FCPA also imposes accounting standards and requirements on publicly traded U. S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments. Recent years have seen substantial increase in the global enforcement of anti- corruption laws. Our operations outside the United States could increase the risk of such violations. Our business is also heavily regulated and involves significant interaction with foreign officials. In many countries outside the U. S., independent clinical investigators conducting our clinical trials and prescribers of our products are employed by government entities, and purchasers themselves can be government entities. As such, our interactions with such investigators, prescribers and purchasers may be subject to regulation under the FCPA, as well as other similar under anti- corruption laws and / or regulations enacted by other countries. Failure to comply with these laws, where applicable, can result in significant penalties, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal and equivalent foreign healthcare programs, and additional reporting requirements and regulatory oversight, any of which could adversely affect our ability to operate our business and our results of operations** . We could face liability if a regulatory authority determines that we are promoting INGREZZA **, CRENESSITY,** or any of our product candidates that receives regulatory approval, for " off- label " uses. A company may not promote " off- label " uses for its drug products. An off- label use is the use of a product for an indication that is not described in the product' s FDA- approved label in the U. S. or for uses in other jurisdictions that differ from those approved by the applicable regulatory agencies. Physicians, on the other hand, may prescribe products for off- label uses. Although the FDA and other regulatory agencies do not regulate a physician' s choice of drug treatment made in the physician' s independent medical judgment, they do restrict promotional communications from companies or their sales force with respect to off- label uses of products for which marketing clearance has not been issued.

However, companies may share truthful and not misleading information that is otherwise consistent with a product' s FDA approved labeling. A company that is found to have promoted off- label use of its product may be subject to significant liability, including civil and criminal sanctions. If the FDA or any other governmental agency, including equivalent foreign authorities, initiates an enforcement action against us, or if we are the subject of a qui tam suit brought by a private plaintiff on behalf of the government, and it is determined that we violated prohibitions relating to the promotion of products for unapproved uses, we could be subject to substantial civil or criminal fines or damage awards and other sanctions such as consent decrees and corporate integrity agreements pursuant to which our activities would be subject to ongoing scrutiny and monitoring to ensure compliance with applicable laws and regulations. Any such fines, awards or other sanctions would have an adverse effect on our revenue, business, financial prospects and reputation. If our information technology systems, those third parties upon which we rely, or our data is or were compromised, we could experience adverse impacts resulting from such compromise, including, but not limited to, interruptions to our operations such as our clinical trials, claims that we breached our data protection obligations, harm to our reputation, regulatory investigations or actions, litigation, fines and penalties, and a loss of customers or sales. We are increasingly dependent on information technology systems and infrastructure, including mobile technologies **and technology systems and infrastructure of third parties upon whom we rely, including CROs and other vendors** , to operate our business. In the ordinary course of our business, we and the third parties upon which we rely, collect, receive, store, process, generate, disclose, make accessible, protect, dispose of, transmit, use, safeguard, share and transfer, or collectively, process, confidential and sensitive electronic information on our networks and in our data centers. This information includes, among other things, de- identified or pseudonymous sensitive personal data (including health data), our intellectual property and proprietary information, the confidential information of our collaborators and licensees, and the personal data of our employees. It is important to our operations and business strategy that this electronic information remains secure and is perceived to be secure. The size and complexity of our information technology systems, and those of third- party vendors with whom we contract, and the volume of data we retain, make such systems potentially vulnerable to a variety of evolving threats, including but not limited to social- engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code, malware (such as malicious code, adware, and command and control (C2)), denial- of- service attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply- chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, attacks enhanced or facilitated by AI, telecommunications failures, and other similar threats. Cyber- attacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely. Such threats continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer " hackers, " threat actors, " hacktivists, " organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors (also referred to as APTs). Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, which could materially disrupt our systems and operations, as well as our ability to conduct clinical trials. Ransomware attacks are also becoming increasingly prevalent and severe, and can lead to significant interruptions in our operations (including our ability to conduct clinical trials), loss of sensitive data (including related to our clinical trials) and income, reputational harm, and diversion of funds. To alleviate the financial, operational and reputational impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so (including, for example, if applicable laws or regulations prohibit such payments). Similarly, supply chain attacks have increased in frequency and severity, and we cannot guarantee that third parties in our supply chain have not been compromised or that they do not contain exploitable defects, vulnerabilities, or bugs that could result in a breach of or disruption to our information technology systems and infrastructure or the information technology systems and infrastructure of third parties that support our operations. Remote work has ~~become more common and has~~ increased risks to our information technology systems and data, as ~~more~~ **certain** of our employees work from home, utilizing network connections, computers and devices outside our premises, including at home, while in transit or in public locations. Additionally, natural disasters, public health pandemics or epidemics, terrorism, war and geopolitical conflicts, and telecommunication and electrical failures may result in damage to or the interruption or impairment of key business processes, or the loss or corruption of confidential information, including intellectual property, proprietary business information and personal data. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities or modify our business activities (including our clinical trial activities) to try to protect against security incidents. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information security systems (such as our hardware and / or software, including that of third parties upon which we rely). We may not, however, detect and remediate all such vulnerabilities including on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident. We rely on third- party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud- based infrastructure, data center facilities, encryption and authentication technology, employee email and other functions. We also rely on third- party service providers to provide

other products, services, parts, or otherwise to operate our business, including clinical trial sites and investigators, contractors, manufacturers, suppliers and consultants. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third- party service providers or CROs experience a security incident or other interruption, we could experience adverse consequences. In addition, supply- chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third- party partners' supply chains have not been compromised or otherwise subject to a security incident. While we may be entitled to damages if our third- party service providers fail to satisfy their privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. Although to our knowledge we, or the third parties upon who we rely, have not experienced a security incident or disruption to date that is material to us, we and our vendors have been, either directly or indirectly, the target of cybersecurity incidents and expect them to continue. While we have implemented security measures designed to protect our data security and information technology systems, such measures may not prevent such events. Furthermore, while we have implemented **certain** ~~and are planning to implement~~ redundancies designed to avoid interruptions to our operations, not all potential events can be anticipated and interruptions to our operations could lead to decreased productivity. If we (or a third party upon whom we rely) experience a security incident, ransomware attack or are perceived to have experienced a security incident, we may experience **material** adverse consequences. Such **material** consequences may include: government enforcement actions (for example, investigations, fines, penalties, audits and inspections); additional reporting requirements and / or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm (including but not limited to damage to our patient, partner, or employee relationships); monetary fund diversions; diversion of management' s attention; interruptions in our operations (including availability of data, loss of connectivity to our network or internet); financial loss (including decreased productivity resulting from interruptions in our operations); and other similar harms. Similarly, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. In addition, theft of our intellectual property or proprietary business information could require substantial expenditures to remedy. Applicable data privacy and security obligations may also require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. Our contracts, with for example third parties or CROs, may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We also cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, our sensitive information could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel' s, or vendors' potential use of generative AI technologies. If we fail to obtain or maintain orphan drug designation or other regulatory exclusivity for some of our product candidates, our competitive position would be harmed. In addition to any patent protection, we rely on forms of regulatory exclusivity to protect our products such as orphan drug designation. A product candidate that receives orphan drug designation can benefit from a streamlined regulatory process as well as potential commercial benefits following approval. Currently, this designation provides market exclusivity in the U. S. for seven years and EU for 10 years if a product is the first such product approved for such orphan indication. This market exclusivity does not, however, pertain to indications other than those for which the drug was specifically designated in the approval, nor does it prevent other types of drugs from receiving orphan designations or approvals in these same indications. Further, even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the **product** ~~new drug~~ is clinically superior to the orphan product or a market shortage occurs. In the EU, orphan exclusivity may be reduced to six years if the drug no longer satisfies the original designation criteria or can be lost altogether if the marketing authorization holder consents to a second orphan drug application or cannot supply enough drug, or when a second applicant demonstrates its drug is " clinically superior " to the original orphan drug. If we do not have adequate patent protection for our products, then the relative importance of obtaining regulatory exclusivity is even greater. We may not be successful obtaining orphan drug designations for any indications and, even if we succeed, such product candidates with such orphan drug designations may fail to achieve FDA approval. Even if a product candidate with orphan drug designation may receive marketing approval from the FDA, it may fail to result in or maintain orphan drug exclusivity upon approval, which would harm our competitive position **. Changes in the FDA, other government agencies or comparable foreign regulatory authorities could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business. The ability of the FDA or comparable foreign regulatory authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies or comparable foreign regulatory authorities on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA, other government agencies or comparable foreign regulatory authorities may also slow the time necessary for new drugs to be reviewed and / or approved by necessary**

government agencies, which would adversely affect our business. For example, over the last several years, the U. S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical employees and stop critical activities. If a prolonged government shutdown occurs, including as a result of reaching the debt ceiling, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, government shutdowns could impact our ability to access the public markets and obtain additional capital in the future . The technologies we use in our research as well as the drug targets we select may infringe the patents or violate the proprietary rights of third parties. We cannot assure you that third parties will not assert patent or other intellectual property infringement claims against us or our collaborators with respect to technologies used in potential products. If a patent infringement suit were brought against us or our collaborators, we or our collaborators could be forced to stop or delay developing, manufacturing or selling potential products that are claimed to infringe a third party' s intellectual property unless that party grants us or our collaborators rights to use its intellectual property. In such cases, we could be required to obtain licenses to patents or proprietary rights of others in order to continue to commercialize our products. However, we may not be able to obtain any licenses required under any patents or proprietary rights of third parties on acceptable terms, or at all. Even if our collaborators or we were able to obtain rights to the third party' s intellectual property, these rights may be non- exclusive, thereby giving our competitors access to the same intellectual property. Ultimately, we may be unable to commercialize some of our potential products or may have to cease some of our business operations as a result of patent infringement claims, which could severely harm our business. Our business operations may subject us to disputes, claims and lawsuits, which may be costly and time- consuming and could materially and adversely impact our financial position and results of operations. From time to time, we may become involved in disputes, claims and lawsuits relating to our business operations. In particular, we may face claims related to the safety of our products, intellectual property matters, employment matters, tax matters, commercial disputes, competition, sales and marketing practices, environmental matters, personal injury, insurance coverage and acquisition or divestiture- related matters. Any dispute, claim or lawsuit may divert management' s attention away from our business, we may incur significant expenses in addressing or defending any dispute, claim or lawsuit, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial results. ~~For example, we recently settled various intellectual property litigation matters against potential competitors related to INGREZZA. Refer to Note 13 to the consolidated financial statements for a more detailed description of these matters.~~ Litigation related to these disputes may be costly and time- consuming and could materially and adversely impact our financial position and results of operations if resolved against us. In addition, the uncertainty associated with litigation could lead to increased volatility in our stock price. Our employees, independent contractors, principal investigators, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including non- compliance with regulatory standards and requirements. We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees and independent contractors, such as principal investigators, consultants, commercial partners and vendors, or by employees of our commercial partners could include failures to comply with FDA regulations, to provide accurate information to the FDA, to comply with manufacturing standards we have established, to comply with federal and state healthcare fraud and abuse laws, to report financial information or data accurately, to maintain the confidentiality of our trade secrets or the trade secrets of our commercial partners, or to disclose unauthorized activities to us. In particular, sales, marketing and other business arrangements in the healthcare industry are subject to extensive laws intended to prevent fraud, kickbacks, self- dealing and other abusive practices. Employee and independent contractor misconduct could also involve the improper use of individually identifiable information, including, without limitation, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. Any action against our employees, independent contractors, principal investigators, consultants, commercial partners or vendors for violations of these laws could result in significant civil, criminal and administrative penalties, fines and imprisonment. We face potential product liability exposure far in excess of our insurance coverage. The use of any of our potential products in clinical trials, and the sale of any approved products, including INGREZZA **and CRENESSITY** , may expose us to liability claims. These claims might be made directly by consumers, healthcare providers, pharmaceutical companies or others selling our products. We have product liability insurance coverage for both our clinical trials as well as related to the sale of INGREZZA **and CRENESSITY** in amounts consistent with customary industry practices. However, our insurance may not reimburse us or may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive, and we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability from any current or future clinical trials or approved products. A successful product liability claim, or series of claims, brought against us would decrease our cash reserves and could cause our stock price to fall. Furthermore, regardless of the eventual outcome of a product liability claim, any product liability claim against us may decrease demand for our approved products, including INGREZZA **and CRENESSITY** , damage our reputation, result in regulatory investigations that could require costly recalls or product modifications, cause clinical trial participants to withdrawal, result in costs to defend the related litigation, decrease our revenue, and divert management' s attention from managing our business. Our activities involve hazardous materials, and we may be liable for any resulting contamination or injuries. Our research activities involve the controlled use of hazardous materials. We cannot eliminate the risk of accidental contamination or injury from these materials. If an accident occurs, a court may hold us liable for any resulting damages, which may harm our results of operations and cause us to use a substantial portion of our cash reserves, which would force us to seek additional financing. We are subject to stringent and changing obligations related to data privacy and information security. Our actual or perceived failure to comply with such obligations could have a material adverse effect on our reputation, business, financial condition or results of operations. In the ordinary course of our business, we process confidential and sensitive information, including personal data, proprietary and confidential business data, trade secrets, intellectual property, data we collect about clinical trial participants in connection with

clinical trials, and sensitive third- party data, on our networks and in our data centers. We are subject to numerous federal, state, local and foreign laws, orders, codes, regulations and regulatory guidance regarding privacy, data protection, information security and the processing of personal information (including clinical trial data), the number and scope of which are expanding, changing, subject to differing applications and interpretations, and may be inconsistent among jurisdictions. Our data processing activities may also subject us to other data privacy and security obligations, such as industry standards, external and internal privacy and security policies, contracts and other obligations that govern the processing of data by us and by third parties on our behalf. Laws regarding privacy, data protection, information security and the processing of personal data are becoming increasingly common in the U. S. at both the federal and state level. Additionally, in the past few years, numerous U. S. states — including California, Virginia, Colorado, Connecticut, and Utah — have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling, and automated decision- making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act, as amended by the California Privacy Rights Act of 2020 (~~CPRA) (~~collectively, CCPA), requires businesses to provide specific disclosures in privacy notices, and honor requests of California residents to exercise certain privacy rights. The CCPA allows for fines for noncompliance (up to $ 7, 500 per intentional violation). Although some U. S. comprehensive privacy laws and the CCPA exempt some data processed in the context of clinical trials, these laws may increase compliance costs and potential liability with respect to other personal data we may maintain about California residents. Other states have also enacted data privacy laws and we expect more jurisdictions to pass similar laws in the future. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us and the third parties upon whom we rely. Additionally, HIPAA, as amended by HITECH, imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. Laws in Europe regarding privacy, data protection, information security and the processing of personal data have also been significantly reformed and continue to undergo reform. For example, the EU' s General Data Protection Regulation (EU GDPR) and the UK' s GDPR (UK GDPR) (collectively, GDPR) impose strict requirements for processing the personal data of individuals located, respectively, within the European Economic Area (EEA) and the UK **, and the Swiss Federal Act on Data Protection similarly applies to the collection and processing of personal data, including health- related information, in Switzerland** . The GDPR provides for enhanced data protection obligations for processors and controllers of personal data, including, for example, obligations relating to: processing health and other sensitive data; obtaining consent of individuals; providing notice to individuals regarding data processing activities; responding to data subject requests; taking certain measures when engaging third- party processors; notifying data subjects and regulators of data breaches; and implementing safeguards to protect the security and confidentiality of personal data. The GDPR impose substantial fines for breaches of data protection requirements. For example, under the GDPR, such fines can be up to four percent of global revenue or 20 million euros under the EU GDPR / 17. 5 million pounds sterling under the UK GDPR, whichever is greater in either case, and also allow for private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. The GDPR and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as EU regulations governing clinical trial data and other healthcare data, could require us to change our business practices or lead to government enforcement actions, private litigation or significant penalties against us and could have a material adverse effect on our business, financial condition or results of operations. We may be subject to additional foreign data laws. For example, in Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA) and various related provincial laws, as well as Canada' s Anti- Spam Legislation (CASL), may apply to our operations. As another example, the General Data Protection Law, Lei Geral de Proteção de Dados Pessoais (LGPD) (Law No. 13, 709 / 2018), may apply to our operations. The LGPD broadly regulates processing personal data of individuals in Brazil and imposes compliance obligations and penalties comparable to those of the EU GDPR. We also target customers in Asia and may be subject to new and emerging data privacy regimes in Asia, including Japan' s Act on the Protection of Personal Information and Singapore' s Personal Data Protection Act. In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the U. S. or other countries. Certain jurisdictions have enacted data localization laws and cross- border personal data transfers laws. For example, countries in the EEA and the UK have significantly restricted the transfer of personal data to the U. S. and other countries, whose privacy laws it generally believes are inadequate. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the U. S. in compliance with law, such as the EEA standard contractual clauses, the UK' s International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers for to relevant U. S.- based organizations who self- certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the U. S. If we cannot implement a valid compliance mechanism for cross- border personal data transfers or if the requirements for a legally- compliant transfer are too onerous, we may face increased exposure to regulatory actions, substantial fines and injunctions against processing or transferring personal data from Europe or elsewhere. The inability to import personal data to the U. S. may significantly and negatively impact our business operations, including by limiting our ability to conduct clinical trial activities in Europe and elsewhere; limiting our ability to collaborate with parties subject to European and other data protection laws or requiring us to increase our personal data processing capabilities in Europe and / or elsewhere at significant expense. Other jurisdictions may adopt **or have already adopted** similarly stringent interpretations of their data localization and cross- border data transfer laws. Additionally,

companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the ~~United States~~ **U. S.** , are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR' s cross-border data transfer limitations. Our employees and personnel ~~may~~ **are permitted to** use generative AI technologies to perform some of their work, and the disclosure and use of personal information data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and consumer lawsuits. Furthermore, any use of generative AI to develop our proprietary technology and compounds may also impact our ability to obtain or successfully defend certain intellectual property rights. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages. In addition to data privacy and security laws, we may contractually be subject to industry standards adopted by industry groups and, we are, or may become subject to such obligations in the future. We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We publish privacy policies, marketing materials and other statements regarding data privacy and security. ~~If~~ **Regulators in the U. S. are increasingly scrutinizing these statements, and if** these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair **, misleading** , or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. Our obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing in an increasingly stringent fashion and creating uncertainty. These obligations may be subject to differing applications and interpretations, which may be inconsistent among jurisdictions or in conflict. Preparing for and complying with these obligations requires us to devote significant resources (including, without limitation, financial and time- related resources). These obligations may necessitate changes to our information technologies, systems and practices and those of any third parties that process personal data on our behalf. In addition, these obligations may even require us to change our business model. Although we endeavor to comply with all applicable data privacy and security obligations, we may at times fail (or be perceived to have failed) to do so. Moreover, despite our efforts, our personnel or third- parties upon whom we rely may fail to comply such obligations that impacts our compliance posture. If we fail, or are perceived to have failed, to address or comply with data privacy and security obligations, we could face significant consequences. These consequences may include, but are not limited to, government enforcement actions, litigation (including class claims), additional reporting requirements and / or oversight, bans on processing personal data, imprisonment of company officials, and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy- related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, financial condition or results of operations.