

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

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 31, 2023
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 001-40782

ROIVANT SCIENCES LTD.

(Exact name of Registrant as specified in its Charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

98-1173944
(I.R.S. Employer
Identification No.)

7th Floor
50 Broadway
London SW1H 0BD
United Kingdom
(Address of principal executive offices)

Not Applicable
(Zip Code)

+44 207 400 3347

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.000000341740141 per share	ROIV	The Nasdaq Global Market
Redeemable Warrants, each whole warrant exercisable for one Common Share at an exercise price of \$11.50 per share	ROIVW	The Nasdaq Global Market

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of September 30, 2022 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the registrant's common shares, par value \$0.0000000341740141 per share (the "Common Shares") held by non-affiliates of the registrant was approximately \$445.2 million, based on the closing price of the registrant's common stock on The Nasdaq Global Market of \$3.22 per share.

As of June 26, 2023 there were 766,811,433 Common Shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the registrant's proxy statement to be issued in conjunction with the registrant's 2023 Annual Meeting of Stockholders, which is expected to be filed not later than 120 days after the registrant's fiscal year ended March 31, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K. Except as expressly incorporated by reference, the registrant's proxy statement shall not be deemed to be a part of this Annual Report on Form 10-K.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I.</u>	
Item 1. Business	6
Item 1A. Risk Factors	76
Item 1B. Unresolved Staff Comments	139
Item 2. Properties	139
Item 3. Legal Proceedings	139
Item 4. Mine Safety Disclosures	139
<u>PART II.</u>	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	140
Item 6. [Reserved]	141
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	141
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	160
Item 8. Financial Statements and Supplementary Data	160
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	198
Item 9A. Controls and Procedures	198
Item 9B. Other Information	198
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	198
<u>Part III.</u>	
Item 10. Directors, Executive Officers and Corporate Governance	199
Item 11. Executive Compensation	199
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	199
Item 13. Certain Relationships and Related Transactions, and Director Independence	199
Item 14. Principal Accountant Fees and Services	199
<u>Part IV.</u>	
Item 15. Exhibits, Financial Statement Schedules	200
Item 16. Form 10-K Summary	200
Signatures	208

Summary Risk Factors

You should consider carefully the risks described under “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K. Unless the context otherwise requires, references in this section to “we,” “us,” “our,” “Roivant” and the “Company” refer to Roivant Sciences Ltd. and its subsidiaries and affiliates, as the context requires. A summary of the risks that could materially and adversely affect our business, financial condition, operating results and prospects include the following:

Risks Related to Our Business and Industry

- Our limited operating history and the inherent uncertainties and risks involved in biopharmaceutical product development may make it difficult for us to execute on our business model and for you to assess our future viability. We have not generated significant revenue from our operations since inception, and there is no guarantee that we will do so in the future.
- We may never achieve or maintain profitability.
- We will require additional capital to fund our operations, and if we fail to obtain necessary financing, we may not be able to successfully market our products, acquire or in-license new products or product candidates, complete the development and commercialization of our products and product candidates and continue to pursue our drug discovery efforts.
- We have limited experience as a commercial company and the marketing and sale of VTAMA® (tapinarof) or any future products may be unsuccessful or less successful than anticipated.
- We may not be successful in our efforts to acquire or in-license new product candidates.
- Our drug discovery efforts may not be successful in identifying new product candidates.
- We face risks associated with the allocation of capital and personnel across our businesses.
- We face risks associated with the Vant structure.
- We face risks associated with potential future payments related to our products and product candidates.
- We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.
- Clinical trials and preclinical studies are very expensive, time-consuming, difficult to design and implement and involve uncertain outcomes. We may encounter substantial delays in clinical trials, or may not be able to conduct or complete clinical trials or preclinical studies on the expected timelines, if at all.
- Certain of our products and product candidates are novel, complex and difficult to manufacture. We could experience manufacturing problems that result in delays in our development or commercialization programs or otherwise harm our business.
- We may encounter difficulties enrolling and retaining patients in clinical trials, and clinical development activities could thereby be delayed or otherwise adversely affected.
- The results of our preclinical studies and clinical trials may not support our proposed claims for our products or product candidates, or regulatory approvals on a timely basis or at all, and the results of earlier studies and trials may not be predictive of future trial results.
- Interim, top-line or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.
- Obtaining approval of a new drug is an extensive, lengthy, expensive and inherently uncertain process, and the FDA or another regulator may delay, limit or deny approval. If we are unable to obtain regulatory approval in one or more jurisdictions for any products or product candidates, our business will be substantially harmed.
- Our clinical trials may fail to demonstrate substantial evidence of the safety and efficacy of product candidates that we may identify and pursue for their intended uses, which would prevent, delay or limit the scope of regulatory approval and commercialization.
- Our products and product candidates may cause adverse effects or have other properties that could delay or prevent their regulatory approval, cause us to suspend or discontinue clinical trials, abandon further development or limit the scope of any approved label or market acceptance.

- We depend on the knowledge and skills of our senior leaders and may not be able to manage our business effectively if we are unable to attract and retain key personnel.
- We will need to expand our organization and may experience difficulties in managing this growth, which could disrupt operations.
- If we are unable to obtain and maintain patent and other intellectual property protection for our technology, products and product candidates or if the scope of the intellectual property protection obtained is not sufficiently broad, we may not be able to compete effectively in our markets.
- If the patent applications we hold or have in-licensed with respect to our products or product candidates fail to issue, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity for our current and future products or product candidates, it could dissuade companies from collaborating with us to develop product candidates, and threaten our ability to commercialize our products. Any such outcome could have a materially adverse effect on our business. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications.
- Patent terms and their scope may be inadequate to protect our competitive position on current and future products and product candidates for an adequate amount of time.

Risks Related to Our Securities, Our Jurisdiction of Incorporation and Certain Tax Matters

- If our performance does not meet market expectations, the price of our securities may decline.
- We have incurred and will continue to incur increased costs as a result of operating as a public company and our management has devoted and will continue to devote a substantial amount of time to new compliance initiatives.
- Our failure to timely and effectively implement controls and procedures required by Section 404(a) of the Sarbanes-Oxley Act could have a material adverse effect on our business.
- Anti-takeover provisions in our memorandum of association and bye-laws, as well as provisions of Bermuda law, could delay or prevent a change in control, limit the price investors may be willing to pay in the future for our Common Shares and could entrench management.
- Our largest shareholders own a significant percentage of our Common Shares and are able to exert significant control over matters subject to shareholder approval.
- Future sales, or the perception of future sales, of our Common Shares by us or our existing shareholders in the public market could cause the market price for our Common Shares to decline and impact our ability to raise capital in the future.

Forward-Looking Statements

This Annual Report on Form 10-K contains statements, including matters discussed under Part I, Item 1A. “Risk Factors,” Part I, Item 3. “Legal Proceedings” and Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in other sections of this report, that are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Our forward-looking statements include, but are not limited to, statements regarding our or our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future, and statements that are not historical facts. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this Annual Report on Form 10-K are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. Should one or more of these risks or uncertainties materialize, they could cause our actual results to differ materially from the forward-looking statements. Some factors that could cause actual results to differ include, but are not limited to risk associated with:

- our limited operating history and risks involved in biopharmaceutical product development;
- our limited experience as a commercial-stage company and ability to successfully commercialize VTAMA® (tapinarof);

- our ability to raise additional capital to fund our business on acceptable terms or at all;
- the fact that we will likely incur significant operating losses for the foreseeable future;
- our ability to acquire or in-license new product candidates;
- our ability to identify new product candidates through our discovery efforts;
- our Vant structure and the potential that we may fail to capitalize on certain development opportunities;
- the impact of public health outbreaks, epidemics or pandemics (such as the COVID-19 pandemic) on our business (including our clinical trials and preclinical studies), operations and financial condition and results;
- clinical trials and preclinical studies, which are very expensive, time-consuming, difficult to design and implement and involve uncertain outcomes;
- the novelty, complexity and difficulty of manufacturing certain of our products and product candidates, including any manufacturing problems that result in delays in development or commercialization of our products and product candidates;
- difficulties we may face in enrolling and retaining patients in clinical trials and/or clinical development activities;
- the results of our clinical trials not supporting our proposed claims for a product candidate;
- interim, top-line and/or preliminary data from our clinical trials changing as more data becoming available or data being delayed due to audit and verification processes;
- changes in product manufacturing or formulation that could lead to the incurrence of costs or delays;
- the failure of any third-party we contract with to conduct, supervise and monitor our clinical trials to perform in a satisfactory manner or to comply with applicable requirements;
- the fact that obtaining approvals for new drugs is a lengthy, extensive, expensive and unpredictable process that may end with our inability to obtain regulatory approval by the FDA or other regulatory agencies in other jurisdictions;
- the failure of our clinical trials to demonstrate substantial evidence of the safety and efficacy of our products and product candidates, including, but not limited to, scenarios in which our products and product candidates may cause adverse effects that could delay regulatory approval, discontinue clinical trials, limit the scope of approval or generally result in negative media coverage of us;
- our inability to obtain regulatory approval for a product or product candidate in certain jurisdictions, even if we are able to obtain approval in certain other jurisdictions;
- our ability to effectively manage growth and to attract and retain key personnel;
- any business, legal, regulatory, political, operational, financial and economic risks associated with conducting business globally;
- our ability to obtain and maintain patent and other intellectual property protection for our technology, products and product candidates;
- the inadequacy of patent terms and their scope to protect our competitive position;
- the failure to issue (or the threatening of their breadth or strength of protection) or provide meaningful exclusivity for our current and future products and product candidates of our patent applications that we hold or have in-licensed;

- the fact that we do not currently and may not in the future own or license any issued composition of matter patents covering certain of our products and product candidates and our inability to be certain that any of our other issued patents will provide adequate protection for such products and product candidates;
- the fact that our largest shareholders own a significant percentage of our stock and will be able to exert significant control over matters subject to shareholder approval;
- future sales of securities by us or our largest shareholders, or the perception of such sales, and the impact thereof on the price of our common shares;
- the outcome of any pending or potential litigation, including but not limited to our expectations regarding the outcome of any such litigation and costs and expenses associated with such litigation;
- changes in applicable laws or regulations;
- the possibility that we may be adversely affected by other economic, business and/or competitive factors; and
- any other risks and uncertainties, including those described under Part I, Item 1A. “Risk Factors.”

These risks are not exhaustive. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (<https://investor.roivant.com/>), SEC filings, webcasts, press releases, and conference calls. We use these mediums, including our website, to communicate with our stockholders and the public about our company, our products and product candidates and other matters. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website. Information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider information on our website to be part of this Annual Report on Form 10-K.

Industry and Market Data

We obtained the industry and market data in this Annual Report on Form 10-K from our own research as well as from industry and general publications, surveys and studies conducted by third parties. Industry and general publications, studies and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. These third parties may, in the future, alter the manner in which they conduct surveys and studies regarding the markets in which we operate our business. As a result, you should carefully consider the inherent risks and uncertainties associated with the industry and market data contained in this Annual Report on Form 10-K, including those discussed in Part I, Item 1A. “Risk Factors.”

PART I

ITEM 1. BUSINESS

References to “Roivant,” “the Company,” “we,” “us” or “our” in the following section refer to Roivant Sciences Ltd. and its subsidiaries, unless the context otherwise requires.

Overview

Roivant is a commercial-stage biopharmaceutical company that aims to improve the lives of patients by accelerating the development and commercialization of medicines that matter. Today, Roivant’s pipeline is concentrated in inflammation and immunology and includes VTAMA, a novel topical approved for the treatment of psoriasis and in development for the treatment of atopic dermatitis; batoclimab and IMVT-1402, fully human monoclonal antibodies targeting the neonatal Fc receptor (“FcRn”) in development across several IgG-mediated autoimmune indications; and RVT-3101, an anti-TL1A antibody in development for ulcerative colitis and Crohn’s disease, in addition to several other therapies in various stages of clinical development. We advance our pipeline by creating nimble subsidiaries or “Vants” to develop and commercialize our medicines and technologies. Beyond therapeutics, Roivant also incubates discovery-stage companies and health technology startups complementary to its biopharmaceutical business.

The following table summarizes selected commercial and development-stage pipeline products and product candidates.

Product/Product Candidate	Indication	Vant	Modality	Phase
VTAMA (tapinarof)	Psoriasis	Dermavant	Topical	Commercial
VTAMA (tapinarof)	Atopic Dermatitis	Dermavant	Topical	Phase 3*
RVT-3101	Ulcerative Colitis	Telavant	Biologic	Phase 3*
RVT-3101	Crohn’s Disease	Telavant	Biologic	Phase 2
Brepocitinib	Dermatomyositis	Priovant	Small Molecule	Phase 3*
Brepocitinib	Systemic Lupus Erythematosus	Priovant	Small Molecule	Phase 2*
Brepocitinib	Other Indications	Priovant	Small Molecule	Phase 2
Batoclimab	Myasthenia Gravis	Immunovant	Biologic	Phase 3*
Batoclimab	Thyroid Eye Disease	Immunovant	Biologic	Phase 3*
Batoclimab	Chronic Inflammatory Demyelinating Polyneuropathy	Immunovant	Biologic	Phase 2*
Batoclimab	Graves’ Disease	Immunovant	Biologic	Phase 2
IMVT-1401	Numerous Indications	Immunovant	Biologic	Phase 1
Namilumab	Sarcoidosis	Kinevant	Biologic	Phase 2*
RVT-2001	Transfusion-Dependent Anemia in Patients with Lower-Risk MDS	Hemavant	Small Molecule	Phase 1/2

Note: All clinical stage drugs in our current pipeline are investigational and subject to health authority approval. Pipeline reflects both ongoing clinical trials and expected upcoming trials.

* Indicates registrational or potentially registrational trials.

The Vant model unlocks key strategic advantages for Roivant and, we believe, ultimately enables us to develop transformative medicines for diseases for which there are no approved therapies or where the current standard of care treatment has significant limitations faster than our competitors. We believe we are uniquely positioned to accomplish this by:

- **Leveraging complementary approaches to identify or discover promising drug candidates:** We assembled our current development-stage product candidate pipeline by leveraging our business development expertise and vast network of industry relationships to relentlessly pursue opportunities to in-license or acquire programs where we believe we can deliver successful outcomes on accelerated timelines. In addition, our small molecule discovery engine allows us to design, optimize and validate our own novel product candidates, providing us with another avenue to pursue compelling targets or pathways and further expand our pipeline.
- **Creating nimble, entrepreneurial Vants:** Vants operate similarly to independent biotechnology companies where each management team is focused on its respective mission and is economically incentivized to maximize value through Vant-specific equity grants. Each of our Vant teams is built with deep relevant expertise to ensure successful execution of its particular development strategy. The Vant model is designed to facilitate rapid decision making and calculated risk taking, by empowering, aligning and incentivizing Vant teams around the outcomes of their specific products or product candidates.

- **Developing and deploying proprietary technologies:** We believe we are able to develop transformative medicines faster by building and applying computational tools to drug discovery, development and commercialization. We occupy a unique position at the intersection of biopharma and technology, having built our capabilities in parallel, optimizing each for synergy with the other, in contrast to big pharma who have added software tools to legacy workflows or technology startups that lack experience developing drugs. Vants have access to, and are supported by, these technologies.
- **Allocating capital to maximize R&D efficiency:** We apply an objective, rigorous decision framework across the drug development process designed to ensure resources and capital are continuously directed towards programs we believe have a higher probability of success and away from those that fail to meet our internal hurdles. We centralize capital allocation decisions at the Roivant level, while distributing operational decisions to the Vants, allowing us to strategically deploy capital in high growth areas, regardless of potentially competing operational priorities.
- **Maintaining a diversified pipeline with various risk profiles:** We have built a broad and differentiated pipeline that includes a commercial drug and several drug candidates across different therapeutic areas, phases of development, modalities and geographies. This approach limits our exposure to several concentrated scientific and biological risks and allows us to pursue multiple innovative hypotheses across our portfolio as we seek to develop therapies for patient populations with high unmet need.
- **Designing creative “win-win” deal structures:** We structure our partnerships to balance risk and the potential for future value creation. We ensure that a significant proportion of near-term expenses go toward development, allowing us to stage our investment and align incentives as well as limit losses in the event of a setback. Our scale and proven track record of developing successful product candidates assures partners that we are uniquely capable of maximizing value for patients and investors.
- **Providing operating leverage through centralized support functions:** Our model allows us to accelerate Vant formation and maturation by centralizing and sharing certain support functions across various Vants. Vants also benefit from access to our vast network of scientific experts, physicians and technologists to help optimize their clinical development and plans for commercialization.

The structural advantages of the Vant model combined with our “force of will” culture and investor mindset have enabled us to achieve an impressive track record: Since Roivant’s founding in 2014, we have commercialized VTAMA, the leading branded topical in psoriasis, developed six FDA-approved medicines and completed 11 large registrational Phase 3 studies – the last 10 of which have yielded positive data (inclusive of approvals and Phase 3 studies from Vants transferred to Sumitomo Pharma).

Recent Developments

On June 22, 2023, Sumitomo Pharma Co., Ltd. (“Sumitomo Pharma”) sold 15,116,277 common shares to three healthcare specialist funds, including an affiliate of private investment funds advised by Patient Square Capital, in a privately negotiated transaction. In connection with the transaction, Sumitomo Pharma entered into a lock-up agreement effective through February 29, 2024, covering the common shares it continues to hold. The buyers also entered into lock-up agreements covering the common shares acquired in the transaction, through February 29, 2024.

Key Business Highlights

- **VTAMA**
 - Secured FDA approval of VTAMA® (tapinarof) cream, 1% for plaque psoriasis in adults, the Company’s first commercial product and first topical novel chemical entity for psoriasis in the U.S. in 25 years.
 - Successfully launched with drug in channel within days of FDA approval and became the most prescribed branded topical for psoriasis only eight weeks into launch.
 - Met the primary and all secondary endpoints in two Phase 3 studies, evaluating 813 moderate-to-severe atopic dermatitis patients with no new safety or tolerability signals observed in this population, which included children as young as 2 years old.
 - Generated net product revenue of \$13.7 million for the fourth quarter and \$28.0 million for the fiscal year ended March 31, 2023.
 - Expanded coverage with 125 million U.S. commercial lives covered, or 76% of total, as of June 2023.
- **RVT-3101**
 - Announced partnership with Pfizer to form new company around RVT-3101, a potential first-in-class and best-in-class anti-TL1A antibody for ulcerative colitis and Crohn’s disease.
 - Reported statistically significant and clinically meaningful results from the induction period of TUSCANY-2, a large global phase 2b study of subcutaneous RVT-3101 for the treatment of ulcerative colitis.
 - Demonstrated improved efficacy results from the induction to chronic period in the TUSCANY-2 study and was well tolerated with a favorable safety profile across all doses.
 - Initiated a Phase 2 study of RVT-3101 in Crohn’s disease, with topline data expected in the fourth quarter of calendar year 2024.
- **Anti-FcRn Franchise**
 - Initiated a Phase 3 study of batoclimab in thyroid eye disease (“TED”) and a Phase 2b study in chronic inflammatory demyelinating polyneuropathy (“CIDP”).
 - Unveiled IMVT-1402, a next generation anti-FcRn which showed deep IgG lowering similar to batoclimab with no or minimal impact observed on albumin and LDL (low-density lipoprotein) levels in animal studies.

- Initiated a Phase 1 study for IMVT-1402, with initial data expected in August / September 2023.
- **Brepocitinib**
 - Announced Priovant Therapeutics, a new Vant partnered with Pfizer and dedicated to developing and commercializing novel therapies for autoimmune diseases with lead compound, brepocitinib, a first-in-class dual, selective inhibitor of TYK2 and JAK.
 - Initiated a Phase 3 study developing oral brepocitinib for the treatment of dermatomyositis.
 - Completed enrollment for its ongoing potentially registrational global study evaluating oral brepocitinib for the treatment of SLE in August 2022.

The table below summarizes select potential future payment obligations from acquisitions, in-licensing and subsequent financings for select products and product candidates:

Vant	Product or Product Candidate	Milestones	Royalty
Dermavant	VTAMA (tapinarof)	<ul style="list-style-type: none"> Up to CAD\$75M in remaining commercial milestones to Welicem, with CAD\$35M payable upon VTAMA first U.S. commercial sale for atopic dermatitis and the remainder payable as first commercial sales are achieved in various ex-U.S. countries Additional milestones owed to NovaQuest in connection with two 2018 financings that are accounted for as debt with a fair value of \$208M as of March 31, 2023 	<ul style="list-style-type: none"> Low single-digit to high single-digit tiered percentage of quarterly revenues based on achievement of specified net sales thresholds, up to a \$344M cap, to be paid to an investor group in exchange for \$160M RIPSAs funding received in June 2022, following VTAMA approval; accounted for as debt with a net carrying value of \$174M as of March 31, 2023
Immunovant	Anti-FcRn Franchise	<ul style="list-style-type: none"> Up to a maximum of \$432.5M (after an aggregate amount of \$20.0M of milestone achievements as of March 31, 2023) upon the achievement of certain development, regulatory and sales milestone events 	<ul style="list-style-type: none"> Tiered royalties on net sales ranging from mid-single digits to mid-teens
Telavant Priovant	RVT-3101 Brepocitinib	<ul style="list-style-type: none"> None Mid tens-of-millions sales milestone payment if aggregate net sales in a given year exceed a mid hundred-of-millions amount 	<ul style="list-style-type: none"> Mid-single-digit royalty on net sales Tiered sub-teens royalty on net sales
Kinevant	Namilumab	<ul style="list-style-type: none"> Up to \$40M upon the achievement of certain milestones 	<ul style="list-style-type: none"> Tiered royalties on net sales ranging from sub-teens to mid-teens
Hemavant	RVT-2001	<ul style="list-style-type: none"> Up to \$65M in development and regulatory milestones for the first indication; up to \$18M in payments for each additional indication; up to \$295M in commercial milestone payments 	<ul style="list-style-type: none"> Tiered high single-digit to sub-teens royalty on net sales

Note: The summaries above do not purport to be complete. Please refer to “—Asset Acquisition and License Agreements; Other Vant Agreements” and the agreements themselves, filed as exhibits to this Annual Report on Form 10-K, for more information on the terms of these agreements.

The following table summarizes our ownership of certain of our subsidiary companies and affiliates as of March 31, 2023.

Vant	Roivant Ownership	
	Basic¹	Fully Diluted²
Dermavant	100%	85%
Immunovant	57% ³	51% ³
Telavant	75%	75%
Priovant	75%	69%
Proteovant	60%	54%
Genevant	83%	65%
Kinevant	96%	90%
Hemavant	100%	99%
Covant	100%	93%
Psivant	100%	90%
Arbutus	24% ³	21% ³
Lokavant	64%	57%
Datavant	*	*

1. Basic ownership refers to Roivant’s percentage ownership of the issued and outstanding common and preferred shares (if applicable) of the entity.

2. Fully diluted ownership refers to Roivant’s percentage ownership of all outstanding equity interests of the entity, including unvested RSUs as well as options and warrants, in each case whether vested or unvested.

3. Denotes entities that are publicly traded.

* As of March 31, 2023, the Company’s minority equity interest in Datavant represented approximately 17% of the outstanding Class A units. Datavant’s capital structure includes several classes of preferred units that, among other features, have liquidation preferences and conversion features. Upon conversion of such preferred units into Class A units, the Company’s ownership interest would be diluted. For more information on Roivant’s ownership interest in Datavant, please refer to Note 4 to Roivant’s audited consolidated financial statements included in this Annual Report on Form 10-K.

In the upcoming year, we have a robust set of expected near-term catalysts, including the items set forth below. In addition, we plan to in-license multiple potentially category-leading drugs per year.

Program	Vant	Catalyst	Expected Timing
VTAMA (tapinarof) cream	Dermavant	Updates on commercial launch of VTAMA in psoriasis	Ongoing
Roivant pipeline growth	Roivant	New mid/late-stage in-licensing announcements	Ongoing
LNP platform	Genevant	Updates to LNP patent litigation	Ongoing
IMVT-1402	Immunovant	Initial data from Phase 1 trial (SAD results)	Aug./Sept. 2023
IMVT-1402	Immunovant	Initial data from Phase 1 trial (MAD results)	Oct./Nov. 2023
Brepocitinib	Priovant	Topline data from potentially registrational Phase 2B trial in systemic lupus erythematosus	4Q 2023
Batoclimab	Immunovant	Initial data from Phase 2 trial in Graves' disease	4Q 2023
RVT-2001	Hemavant	Data from RVT-2001 Phase 1/2 trial in lower-risk myelodysplastic syndrome	2H 2023
VTAMA (tapinarof) cream	Dermavant	Expected sNDA filing for VTAMA in atopic dermatitis	1Q 2024
Batoclimab	Immunovant	Initial data from pivotal Phase 2B trial in chronic inflammatory demyelinating polyneuropathy	1H 2024
Namilumab	Kinevant	Topline data from Phase 2 trial in sarcoidosis	2H 2024
Batoclimab	Immunovant	Topline data from Phase 3 trial in myasthenia gravis	2H 2024
RVT-3101	Telavant	Topline data from induction portion of Phase 2 trial in Crohn's disease	4Q 2024
Batoclimab	Immunovant	Topline data from Phase 3 trials in thyroid eye disease	1H 2025
Brepocitinib	Priovant	Topline data from Phase 3 trial in dermatomyositis	2025

Note: References are to calendar years. All catalyst timings are based on current expectations and, where applicable, contingent on FDA feedback, and may be subject to change.

Dermavant Overview

- **Overview:**
 - Dermavant is marketing VTAMA[®] (tapinarof) cream, 1%, for the topical treatment of plaque psoriasis in adults. The FDA approved VTAMA for the topical treatment of mild, moderate, and severe plaque psoriasis in May 2022.
 - Dermavant is also developing VTAMA for the treatment of atopic dermatitis in adults and children. We completed two Phase 3 clinical trials, ADORING 1 and ADORING 2 for the use of VTAMA in treating atopic dermatitis in adults and children. In both of these trials, VTAMA met its primary endpoint and secondary endpoints with clinically meaningful and statistically significant results.
 - Dermavant’s earlier stage development pipeline includes an additional novel aryl hydrocarbon receptor (“AhR”) agonist, DMVT-506, with a similar profile to VTAMA. Dermavant is developing DMVT-506 for the treatment of immunological and inflammatory diseases.
- **Lead program:**
 - VTAMA is a novel, once daily, steroid-free topical cream approved in the US for the treatment of plaque psoriasis in adults. Dermavant is developing VTAMA for the treatment of atopic dermatitis in adults and children as young as 2 years old.
 - VTAMA directly targets the AhR, a key regulator of skin homeostasis and inflammation.
- **Disease overview:**
 - Plaque psoriasis is a chronic, inflammatory disease of the skin characterized by lesions consisting of red patches and plaques with silvery scales.
 - Atopic dermatitis, the most common type of eczema, is a chronic condition characterized by dry, itchy skin.
 - Psoriasis and atopic dermatitis affect approximately 8 million and 26 million people in the United States, respectively.
- **Limitations of current treatment:**
 - Topical corticosteroids (“TCS”) are the most common first-line therapies but they typically cannot be used for longer than four weeks due to the risk of significant side effects.
 - While oral and biologic therapies have become increasingly available, they are often limited to moderate-to-severe disease with often complicated access, reimbursement and utilization management requirements.
- **Clinical data:**
 - We completed two pivotal Phase 3 clinical trials, PSOARING 1 and PSOARING 2, for the use of VTAMA in treating mild, moderate, and severe plaque psoriasis in adults.
 - In both pivotal Phase 3 trials, which enrolled over 500 patients each, VTAMA met its primary endpoint and secondary endpoints with clinically meaningful and statistically significant results.
 - Our long-term open-label PSOARING 3 study provides evidence of VTAMA’s increased therapeutic effect beyond the 12-week double-blind treatment periods, suggesting treatment durability over time, as well as evidence of a remittive effect, measured by time until disease worsening following treatment discontinuation.
 - In our pediatric maximal usage study of VTAMA in atopic dermatitis, VTAMA demonstrated favorable safety, pharmacokinetics and clinical improvement in atopic dermatitis in subjects as young as 2 years old.
 - We recently reported top line data from two Phase 3 clinical trials, ADORING 1 and ADORING 2, for the use of VTAMA in treating atopic dermatitis in adults and children as young as 2 years old. In both of these trials, VTAMA met its primary endpoint and secondary endpoints with clinically meaningful and statistically significant results. The data indicated no new safety or tolerability signals in this population.
- **Development plan and upcoming milestones:**
 - The FDA approved VTAMA for the once daily topical treatment of adults with plaque psoriasis in May 2022, and we have built out our highly specialized commercial sales organization.

- VTAMA is the first topical novel chemical entity launched for plaque psoriasis in the U.S. in 25 years, offering a favorable mix of treatment effect, safety, tolerability, durability on therapy, and remittive effect.
- We expect to submit a supplemental new drug application to the FDA to approve VTAMA for the treatment of atopic dermatitis in adults and children in the first quarter of calendar year 2024.
- **Roivant ownership:**
 - As of March 31, 2023, we own 100% of the issued and outstanding common shares of Dermavant and 85% on a fully-diluted basis.

Commercial Launch of VTAMA for Treatment of Adults with Plaque Psoriasis

The FDA approved VTAMA for the treatment of adults with mild, moderate or severe plaque psoriasis in May 2022.

Dermavant has built a highly specialized commercial sales organization focused on high value dermatology healthcare providers and their patients and implementing a “best-in-class” payor reimbursement and patient point of sale access strategy, which we believe ensures broad patient access at launch. As of June 2023, Dermavant had achieved 125 million commercial lives covered, or 76% of the total, with 72% coverage achieved in the first 9 months post-launch (including contracts with two national PBM formularies and two national health plan formularies). As psoriasis patients are predominantly managed by dermatologists, we have deployed a team of approximately 100 specialty sales professionals focused on a core target base of top-decile dermatologists who write the majority of all commercial prescriptions in the psoriasis market. We believe a scientifically oriented, customer-focused team will allow us to reach the approximately 10,000 highest value dermatology healthcare providers. We expect to continue investing in our post-launch efforts for VTAMA, including continuing to build our sales and marketing teams and related activities. We believe these efforts have enabled a significant number of new prescriptions of VTAMA for patients with no psoriasis prescription in the preceding twelve months.

For markets outside of the U.S., we may opportunistically seek strategic collaborations to maximize the commercial opportunities for VTAMA.

Since acquiring VTAMA in 2018, we have expanded our intellectual property portfolio with multiple patents, which are expected to provide intellectual property protection until at least 2038.

VTAMA for the Treatment of Psoriasis and Atopic Dermatitis

VTAMA is a novel, once daily, cosmetically elegant, steroid-free topical cream. VTAMA directly targets the AhR, a key regulator of skin homeostasis and inflammation, to help reduce Th17 and Th2 cytokines, two pro-inflammatory pathways implicated in plaque psoriasis and atopic dermatitis, respectively, increase antioxidant activity, and promote skin barrier restoration. VTAMA cream is designed to be easy to apply, non-greasy and odorless, which we believe makes it cosmetically elegant. To date, over 4,700 subjects have been enrolled in 25 clinical trials of VTAMA and predecessor formulations of VTAMA cream.

Psoriasis and atopic dermatitis

Psoriasis and atopic dermatitis affect hundreds of millions of people globally each year, impacting their quality of life, including their physical health, psychological state, and overall well-being. While topical therapies are the foundation of treatment, many patients fail to achieve their desired outcome due to subpar efficacy, tolerability and safety concerns, application site restrictions and limits on duration of therapy.

Psoriasis is a chronic, inflammatory disease with skin lesions characterized by red patches and plaques with silvery scale that affects an estimated 8 million people in the United States. Its most common form, psoriasis vulgaris or plaque psoriasis, constitutes approximately 80 to 90% of all cases of psoriasis. Psoriasis severity is typically classified by body surface area (“BSA”) involvement: mild (less than 3% BSA), moderate (3% to 10% BSA) and severe (greater than 10% BSA). Based on this classification, approximately 90% of patients with psoriasis in the United States have mild to moderate disease, which is most often amenable to topical treatment.

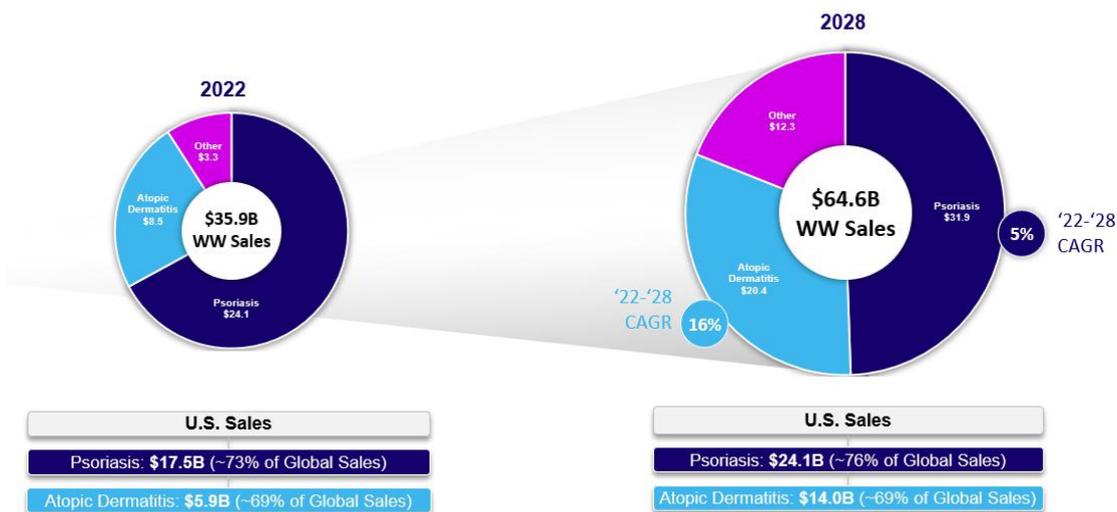
Atopic dermatitis is the most common type of eczema, affecting more than 9.6 million children and about 16.5 million adults in the United States. It is a chronic condition characterized by dry, itchy skin that often turns into a red rash. Atopic dermatitis can come and go for years or throughout life and can overlap with other types of eczema. Atopic dermatitis has a complex pathophysiology involving genetic, immunologic and environmental factors, culminating in skin barrier dysfunction and immune system dysregulation. The condition occurs most frequently in children (15 to 30% worldwide). Approximately 60% of those who develop atopic dermatitis show symptoms in the first year of life and up to 90% show symptoms by five years of age. While more prevalent in infancy and adolescence, one in ten people will develop atopic dermatitis. Approximately 85% of adult patients have mild to moderate atopic dermatitis, while 15% have severe atopic dermatitis.

TCSs are commonly used as the first-line therapy for the treatment of inflammatory skin conditions, such as psoriasis and atopic dermatitis. They are broadly available in generic form and carry FDA class labeling that restrict their duration of use, typically to no more than four weeks, and their location of use, prohibiting use in sensitive skin areas such as the face, groin, or axillae (armpit). While many people experience improvement with TCS, the continual long-term use of TCS has the potential to cause significant side effects including skin atrophy. As a result, healthcare professionals and patients are limited to intermittent treatment cycles of TCS therapy, leading to frequent disease flares and recurrence of disease, providing an inadequate solution for chronic conditions in immuno-dermatology. Topical roflumilast, a non-steroidal PDE4 inhibitor, was approved in July 2022 for the treatment of plaque psoriasis in patients 12 years of age and older; however, this product carries label restrictions and contraindications, including a risk for drug interactions, and has not been shown to exhibit evidence of off-treatment remittive effect. Topical calcineurin inhibitors (“TCI”) are an additional non-steroidal option for the topical treatment of atopic dermatitis, but their use is limited by safety concerns, including black box warnings of malignancy reported in patients treated with TCIs. Oral and biologic therapies have become increasingly available but are often limited to moderate-to-severe psoriasis and atopic dermatitis patients which comprise the smallest percentage of the affected populations. While biologics have proven to be very effective, their use has also been limited by concerns with systemic side effects, high cost, and reimbursement and access restrictions. Oral therapies are functionally limited to moderate-to-severe psoriasis patients. Oral therapies also have significant side effects and have not achieved the same level of efficacy as biologics. Additionally, recent FDA action regarding Janus kinase inhibitors (“JAKs”) have resulted in restrictive labeling and black box warnings relating to safety concerns with the product class, including oral and topical forms, and including for the topical treatment of atopic dermatitis.

Given the limitations associated with TCS, other topicals, orals, and biologics therapies, patients with inflammatory skin conditions often report dissatisfaction with their current treatment options. We see an opportunity for a novel, once daily topical treatment like VTAMA to fill the need for a long-term treatment option for plaque psoriasis and atopic dermatitis. Additionally, we believe that VTAMA has the potential to be used as a complementary therapy with biologics and oral therapies.

Psoriasis and atopic dermatitis represent the two largest markets in immuno-dermatology and are expected to reach total sales of approximately \$38.1 billion in the U.S. and \$52.3 billion globally by 2028. Topical treatments serve as the foundation of dermatologic treatment, representing 81% of all U.S. prescriptions written by dermatologists in 2023. Annual U.S. prescriptions for both psoriasis and atopic dermatitis are outlined below:

	TCS	Biologics	Orals; Injectables	Other Topicals
Annual Scripts for PsO (MAT April 2023)	~4.35M	~2.26M	~898K	~627K
Annual Scripts for AD (MAT April 2023)	~15.2M	~1.54M	~4.6M	~1.3M



Source: EvaluatePharma

VTAMA for the Treatment of Psoriasis

Clinical data

We completed two pivotal Phase 3 clinical trials, PSOARING 1 and PSOARING 2, evaluating the use of VTAMA in treating mild, moderate and severe plaque psoriasis in adults. In both of these trials, which enrolled over 500 patients each, VTAMA met its primary endpoint and all secondary endpoints with clinically meaningful and statistically significant results as well as favorable safety and tolerability findings. At week 12, 35.4% and 40.2% of patients treated with VTAMA in PSOARING 1 and PSOARING 2, respectively, achieved the primary efficacy endpoint of a Physician Global Assessment (PGA) score of clear (0) or almost clear (1) with a minimum 2-grade improvement from baseline as compared to 6.0% and 6.3% of patients treated with vehicle control cream ($p < 0.0001$; $p < 0.0001$). When this endpoint was evaluated over time, rapid onset of activity was observed with separation emerging by the first evaluation trial visit (week 2) and statistically significant differences between VTAMA and vehicle control cream at week 4 and continuing at all measured time points thereafter.

VTAMA met all secondary endpoints with statistical significance in PSOARING 1 and PSOARING 2, including a key secondary endpoint, the proportion of subjects with $\geq 75\%$ improvement in Psoriasis Area and Severity Index (PASI75). In PSOARING 1 and 2, 36.1% and 47.6% of patients achieved PASI75 at Week 12 with VTAMA 1% cream QD vs 10.2% and 6.9% for vehicle control cream, respectively. Additionally, the proportion of patients with $\geq 90\%$ improvement in Psoriasis Area and Severity Index (PASI90) at Week 12, also a secondary endpoint, was statistically significantly higher in both VTAMA groups compared with vehicle control cream ($p = 0.0005$ and $p < 0.0001$). In PSOARING 1 and PSOARING 2, 18.8% and 20.9% of patients treated with VTAMA, respectively, achieved PASI90 compared to 1.6% and 2.5%, respectively, of patients treated with vehicle control cream. The PASI assessment is a more quantitative assessment of disease activity relative to the PGA and provides additional insight into a drug's impact on disease modification. Similar to what was observed with PGA, evaluating reduction in the burden of disease via a PASI assessment confirms rapid onset of action with separation of VTAMA from vehicle control cream control at week 2, and statistically significant differences were noted as early as week 4 and each evaluation thereafter.

Additionally, VTAMA was observed to be well-tolerated, consistent with previous trials, and had low discontinuation rates due to adverse events ("AEs"), no treatment related serious adverse events ("SAEs"), and minimal severe application site reactions.

AEs were generally mild to moderate in nature with the majority consisting of localized skin reactions. Overall trial discontinuations due to adverse events were 5.6% in PSOARING 1 and 5.8% in PSOARING 2. Trial discontinuation rates due to folliculitis were 1.8% in PSOARING 1 and 0.9% in PSOARING 2. No VTAMA-related serious adverse events were observed, and over 90% of eligible patients enrolled in the open-label, long-term extension study. To date, over 4,700 subjects have been enrolled in 25 clinical trials of VTAMA and predecessor formulations of VTAMA cream.

The images below show rapid and complete clearance of plaque psoriasis in a patient achieving the defined trial endpoint. At baseline, this patient's PGA score was 3, indicative of moderate disease, and the PASI score was 17.6. The baseline image demonstrates classic plaque psoriasis with well-demarcated erythematous scaling plaques. At week 4, the PGA had decreased from 3 to 2 and the PASI from 17.6 to 4, the latter having passed the threshold 75% reduction in PASI (PASI75). The target plaques on the forearm completely resolved. At week 12, both the PGA and PASI scores were 0, indicating complete clearance of disease. PGA and PASI are global efficacy assessments.



In September 2021, we reported the final results from our long-term open-label study, PSOARING 3, which showed that 58.2% of subjects who entered the PSOARING 3 study with a PGA score of ≥ 2 achieved a PGA score of 0 or 1 at least once during the study. Although PSOARING 3 was not a vehicle-controlled study like the PSOARING 1 and PSOARING 2 studies, we believe these data provide supportive evidence regarding VTAMA's potential therapeutic effect beyond the 12-week double-blind treatment periods utilized in the prior PSOARING studies. In addition, 312 out of 763 subjects (40.9%) achieved complete disease clearance (PGA score of 0) at least once during the study. We observed no evidence of tachyphylaxis, or a diminishing response to treatment, throughout the study, which we believe suggests treatment durability over time.

Relatedly, in our clinical trials, including data from our PSOARING 3 long-term open-label study, we have also observed that some patients treated with VTAMA maintained clinically meaningful disease control for an extended period of time after therapy had been discontinued. In PSOARING 3, subjects discontinued applying VTAMA when they achieved complete clearance of their disease (PGA=0). These subjects were then followed, and the time to first worsening (defined as PGA ≥ 2) was utilized to determine the maintenance of clinical benefit off therapy. We refer to maintenance of clear/almost clear (PGA 0/1) while off therapy as remittive effect. At the completion of the Week 12 visit of the PSOARING 1 and PSOARING 2 trials, subjects were offered enrollment in the PSOARING 3 long-term open-label study. Subjects with a PGA ≥ 1 began treatment with VTAMA cream applied QD until they achieved a PGA score of 0. Treatment was then discontinued and re-initiated when a patient's psoriasis subsequently worsened (PGA ≥ 2).

In PSOARING 3, for subjects entering the study with a PGA score of 0 (79/763), the median time to disease worsening (defined as a PGA score of ≥ 2) following complete disease clearance and treatment discontinuation was approximately 115 days. In addition, among patients entering PSOARING 3 with or achieving a PGA score of 0 (312/763), the mean total duration of time to disease worsening following treatment discontinuation was approximately 130 days. We believe these additional clinical observations confirm the long-term effectiveness of VTAMA cream 1% QD and differentiate it from other topical therapies.

VTAMA for the Treatment of Atopic Dermatitis

Clinical data

We completed two pivotal Phase 3 trials, ADORING 1 and ADORING 2, evaluating the use of VTAMA for the treatment of moderate to severe atopic dermatitis in patients aged two years and older. In both of these trials, which enrolled over 400 patients each, VTAMA met its primary endpoint and all secondary endpoints and statistically significant results. At week 8, 45.4% and 46.4% of subjects receiving VTAMA achieved the primary endpoint of Validated Investigator Global Assessment for Atopic Dermatitis (vIGA-ADTM) response of clear (0) or almost clear (1) with at least a 2-grade improvement from baseline, versus 13.9% and 18.0% on vehicle ($P < 0.0001$). VTAMA met all secondary endpoints with statistical significance in ADORING 1 and ADORING 2, including 55.8% and 59.1% of subjects treated with VTAMA cream who achieved the key secondary endpoint of EASI75 ($P < 0.0001$), and meaningful impact on the key secondary endpoint of pruritus (itch) that was demonstrated with 55.8% and 52.8% of subjects ≥ 12 years old, with a baseline PP-NRS score ≥ 4 , achieving a ≥ 4 -point reduction in the PP-NRS at Week 8 ($P = 0.0366$, $P = 0.0015$). 91% of subjects from ADORING 1 and 2 elected to enroll into the open-label, long-term safety study. Trial results are outlined below:

Endpoint	ADORING 1			ADORING 2		
	Week 8			Week 8		
	VTAMA 1% QD	Vehicle QD	P Value	VTAMA 1% QD	Vehicle QD	P Value
vIGA-AD success ¹	45.4%	13.9%	<0.0001	46.4%	18.0%	<0.0001
EASI75 ²	55.8%	22.9%	<0.0001	59.1%	21.2%	<0.0001
≥4-point reduction in PP-NRS ³	55.8%	34.2%	0.0366	52.8%	24.1%	0.0015

1 Primary Endpoint: Proportion of subjects who achieved a vIGA-AD score of clear (0) or almost clear (1) with at least a 2-grade improvement from baseline at Week 8.

2 Secondary Endpoint: Proportion of subjects with ≥75% improvement in EASI from baseline at Week 8.

3 Secondary Endpoint: Proportion of subjects ≥12 years old with a baseline PP-NRS score ≥4 who achieved ≥4-point reduction in the PP-NRS from baseline at Week 8.

Additionally, data from the ADORING 1 and ADORING 2 trials indicated no new safety or tolerability signals in the subject population including children as young as 2 years old. AEs were mostly mild to moderate with a low study discontinuation rate due to AEs (1.9% VTAMA vs. 3.6% vehicle). AEs of special interest included contact dermatitis (1.5% VTAMA vs. 2.2% vehicle) and follicular event (10.0% VTAMA vs. 0.7% vehicle).

Development of VTAMA

We are conducting ADORING 3, a long-term, open-label, extension study to evaluate the safety and efficacy of VTAMA cream 1% in patients with atopic dermatitis. Subjects in the study include those who have previously completed treatment with VTAMA or vehicle in ADORING 1 or ADORING 2, as well as subjects who have completed a maximal use PK study, and those pediatric subjects who would not qualify for inclusion in ADORING 1 or 2 due to milder or more severe disease. ADORING 3 consists of up to 48 weeks of VTAMA cream 1%, and a 7-day safety follow-up period.

We are also conducting an open-label study to evaluate VTAMA cream 1% in pediatric patients with plaque psoriasis. The study consists of a 12-week primary treatment phase and an optional 40-week long-term extension phase in which all eligible subjects will receive VTAMA cream 1% once daily. Subjects who choose not to participate in the optional 40-week long-term extension phase will complete a follow-up visit approximately one week after the end of the primary treatment phase.

We expect to submit a supplemental new drug application to the FDA to approve VTAMA for the treatment of atopic dermatitis in adults and children in the first quarter of calendar year 2024.

Potential Benefits of VTAMA—Limitations of Current Treatments

VTAMA in plaque psoriasis

We believe VTAMA has several key attributes that position it favorably over current standard of care treatments in plaque psoriasis, including TCS therapies:

POWERFUL EFFICACY
6x the efficacy vs vehicle in 12-week pivotal studies (36% and 40% PGA success rate achieved in the VTAMA cream arm vs 6% in vehicle arm)

RESULTS THAT LAST
Durable ON-treatment results with no tachyphylaxis for up to 52 weeks & Lasting Remittive OFF-treatment effect seen for median of ~4 months

SAFE & WELL-TOLERATED
Versatility to be used in mild, moderate & severe psoriasis on all affected skin areas (including sensitive skin), no restrictions on duration of use & no label safety warnings or precautions

Based on the clinically meaningful and statistically significant reduction in psoriasis symptoms VTAMA demonstrated in both Phase 3 trials, coupled with no label restrictions on duration of use and no label safety warnings or precautions, we believe VTAMA will be used broadly and potentially chronically on any skin lesion regardless of location on the body. We believe the Phase 3 data we have generated and the data observed in our open-label, long-term extension study support the chronic use of VTAMA, potentially in place of other topical and oral treatments, for the treatment of mild, moderate and severe plaque psoriasis in adults.

VTAMA's potential in atopic dermatitis

TCS, especially low-to-mid potency TCS, represent the standard-of-care for atopic dermatitis treatment. Although they are used commonly, TCS pose a specific concern in pediatric patients due to the risk of systemic absorption, hypothalamic-pituitary-adrenal axis suppression, skin thinning and other potential side effects. The increased body surface area to mass ratio in children results in increased absorption and systemic exposure. The American Academy of Dermatology guidelines suggest limiting long-term use of TCS in children to avoid the risk of systemic side effects. As such, 86% of U.S. patients report dissatisfaction with current treatment options for atopic dermatitis according to the National Eczema Association. There is also considerable concern among many parents about treating their children with steroids, which can be an obstacle to treatment for physicians. Due to these risks and patient dissatisfaction, health care providers are less likely to use them long-term in children and also in sensitive skin areas such as the face or diaper/groin area. In addition, topical PDE4 inhibitors developed to treat atopic dermatitis have been associated with side effects including application site burning and stinging. Topical calcineurin inhibitors are an additional non-steroidal option for the topical treatment of atopic dermatitis; however, their use has been limited by safety including boxed warnings of malignancy (e.g., skin and lymphoma) having been reported in patients treated with topical calcineurin inhibitors.

Patients whose disease flares despite topical treatments may be prescribed systemic agents such as oral corticosteroids or oral cyclosporine to rapidly relieve severe signs and symptoms of the disease. While these are effective as temporary treatments of flare-ups, extended use has been associated with many potential side effects or adverse events. Systemic steroids, such as prednisone, can lead to symptom relief, but their use is not recommended to induce stable remission due to numerous side effects associated with steroids and the propensity of severe disease flares upon abrupt treatment cessation. Cyclosporine is also generally not recommended for use lasting longer than one to two years, as it has been associated with renal toxicity, hirsutism, nausea and lymphoma. Based on data from the 2014 Adelpi U.S. AD Disease Specific Program, over 58% of adults with moderate-to-severe atopic dermatitis have disease which physicians consider to be inadequately controlled by these therapeutic modalities. While biologic therapies are more efficacious, as is the case in psoriasis, use of therapies such as the recently approved Dupixent is limited to patients with significant disease burden as they are expensive, necessitate frequent injections, entail regular physician appointments, have potential systemic toxicities and often require laboratory monitoring. Additionally, recent FDA action regarding JAK inhibitors has resulted in restrictive labeling and black box warnings relating to safety concerns with the product class, both oral and topical forms, including for the topical treatment of atopic dermatitis.

We believe VTAMA has the potential to fill the need for a long-term treatment option for atopic dermatitis. We also believe that VTAMA has the potential to offer significant clinical advancement to address the incessant flare cycle experienced by atopic dermatitis patients that is the result of the short-term use limitation of standard-of-care TCS. We believe the attributes offered by VTAMA's clinical profile, including the safety and efficacy results observed to date, create clear differentiation relative to TCS. We also believe physicians will be receptive to prescribing a new topical therapy in the atopic dermatitis space, where branded topicals are routinely prescribed but there are side effects associated with existing treatment options.

VTAMA sales and marketing potential in atopic dermatitis

If VTAMA is approved by the FDA for the treatment of atopic dermatitis, we plan to expand our psoriasis sales team to be able to reach additional specialists who see a significant amount of atopic dermatitis patients, such as pediatric dermatologists and allergists. Based on external survey data, primary care providers and pediatricians report referring 85% or more of all atopic dermatitis patients after initiation of second-line or third-line therapy to specialists, including pediatric dermatologists, dermatologists and allergists. Based on our commercial team's experience developing and launching dermatology products in U.S., we believe we can effectively reach the psoriasis and atopic dermatitis core target base with a highly specialized sales team of 125 to 150 total sales representatives.

DMVT-506 for Immunology and Inflammatory Diseases

DMVT-506 is an early stage drug candidate that is a novel AhR agonist with a similar activity profile to VTAMA. We are evaluating DMVT-506 as a potential differentiated treatment option for immunology and inflammatory diseases. DMVT-506 is a unique, new chemical entity protected by a composition of matter patent having a natural expiration date in 2041.

Immunovant Overview

- **Overview:**
 - Immunovant is developing a franchise of antibodies – batoclimab and IMVT-1402 – that target the neonatal fragment crystallizable receptor (“FcRn”), for the treatment of IgG-mediated autoimmune diseases.
- **Programs:**
 - Batoclimab and IMVT-1402 are novel, fully human monoclonal antibodies that target FcRn.
 - Both were designed to be optimized as a simple, self-administered subcutaneous (“SC”) injection with dosing that we believe can be tailored based on disease severity and stage.
 - In nonclinical studies and in clinical trials conducted to date, batoclimab has been observed to reduce immunoglobulin G (“IgG”) antibody levels. High levels of pathogenic IgG antibodies drive a variety of autoimmune diseases and, as a result, we believe batoclimab has the potential for broad application in related disease areas.
 - IMVT-1402 has also been observed in nonclinical studies to reduce IgG antibody levels. Importantly, based on the anticipated human effective dose levels, the human equivalent doses of IMVT-1402 have demonstrated minimal or no impact on levels of albumin and low-density lipoprotein (“LDL”) cholesterol in cynomolgus monkeys. This is a key attribute for IMVT-1402, which we believe could potentially allow its use as a treatment of chronic conditions requiring maintenance doses that achieve high degrees of IgG suppression.
 - We are currently developing batoclimab for myasthenia gravis (“MG”), thyroid eye disease (“TED”), chronic inflammatory demyelinating polyneuropathy (“CIDP”) and Graves’ disease (“GD”), and we initiated a Phase 1 clinical trial of IMVT-1402 in the second quarter of calendar year 2023.
- **Disease overview:**
 - MG is a rare, chronic autoimmune disorder characterized by weakness and fatigue of voluntary muscles. The estimated prevalence of MG is 18 per 100,000, with up to 59,000 people in the U.S.
 - TED is an autoimmune disorder affecting the tissues around the eyes, and in severe cases can be sight-threatening. TED has an estimated annual incidence of ten per 100,000 people in the U.S.
 - CIDP is an autoimmune neurological disorder characterized by damage to the myelin sheaths or the nodes on nerve fibers of the peripheral nervous system. CIDP has an estimated prevalence of almost nine per 100,000 people in the US.
 - GD is an autoimmune disorder associated with the overproduction of thyroid hormones and is the most common cause of hyperthyroidism. GD has an estimated incidence of 35 per 100,000 people in the US.
- **Limitations of current treatments:**
 - Early-stage disease: corticosteroids and immunosuppressants.
 - Later-stage disease: intravenous immunoglobulin (“IVIg”), or plasma exchange.
 - Approaches are limited by delayed onset of action, waning therapeutic benefit over time and unfavorable safety profiles.
- **Clinical data:**
 - In the highest dose cohorts in the Phase 1 clinical trial, four weekly SC administrations of 680 mg of batoclimab resulted in a mean maximum reduction of serum IgG levels of 78%, with a standard deviation of 2%. Injection site reactions were similar between batoclimab and placebo arms.
 - As previously disclosed, we voluntarily paused dosing in our early phase clinical trials of batoclimab to evaluate treatment-induced elevations in total cholesterol and LDL levels observed in some trial subjects. After evaluation of the available safety data and following discussions with multiple regulatory authorities, we are continuing the clinical development of batoclimab.
 - In 2019, we initiated an open-label, single-arm Phase 2a clinical trial of batoclimab for the treatment of TED. The majority of subjects (four of seven) evaluated at the end of treatment experienced a greater than or equal to 2-point improvement in clinical activity score (CAS) and three of seven subjects were proptosis responders, defined as a greater than or equal to 2mm reduction in proptosis in the study eye. In 2019, we also initiated a randomized, masked, placebo-controlled Phase 2b clinical trial of batoclimab for the treatment of TED. Our voluntary pause in dosing in February 2021 resulted in unblinding this trial and the primary endpoint was not significant. However, our analysis of exploratory endpoints from the Phase 2b trial, in addition to the findings from the Phase 2a trial, increased our confidence in the anti-FcRn mechanism of action for patients with TED, and they provide part of the basis for our interest in moving forward with further development in TED.
 - In 2019, we initiated a multi-center, randomized, blinded, placebo-controlled Phase 2a clinical trial of batoclimab for the treatment of MG. As evaluated in a pre-specified, pooled analysis of 15 subjects who completed Day 42 of the trial, batoclimab-treated subjects (N=10) showed a clinical improvement in both the MG-ADL scale and the MGC scale.

- **Development plan and upcoming milestones:**

- We expect top-line data from the Phase 3 pivotal trial of batoclimab as a treatment for MG to be available in the second half of calendar year 2024.
- We expect top-line data from the Phase 3 clinical program of batoclimab as a treatment for TED to be available in the first half of calendar year 2025.
- We expect initial data from the open-label period of the pivotal Phase 2b trial of batoclimab as a treatment for CIDP (where one of two blinded doses of batoclimab are delivered) to be available in the first half of calendar year 2024.
- We expect initial data from the proof-of-concept Phase 2 trial of batoclimab as a treatment for GD to be available in the fourth quarter of calendar year 2023.
- We have initiated a Phase 1 trial of IMVT-1402 and expect initial data from single-ascending dose cohorts to be available in August or September 2023 and from multiple-ascending dose cohorts in October or November 2023.

- **Roivant ownership:**

- As of March 31, 2023 we own 57% of the issued and outstanding shares of Immunovant common stock and 51% on a fully diluted basis.

Product Pipeline

Our innovative product pipeline includes batoclimab, formerly referred to as IMVT-1401, and IMVT-1402, both of which are novel, fully human monoclonal antibodies that target the neonatal fragment crystallizable receptor (“FcRn”). Batoclimab and IMVT-1402 are the result of a multi-step, multi-year research program conducted by us and HanAll Biopharma Co., Ltd. (“HanAll”) to design highly potent anti-FcRn antibodies that may be optimized as a simple, subcutaneous injection with dosing that we believe can be tailored based on disease severity and stage.

Batoclimab, our first product candidate, has been dosed in small volumes (e.g., 2 mL) and with a 27-gauge needle, while still generating therapeutically relevant pharmacodynamic activity, important attributes that we believe will drive patient preference and market adoption. In nonclinical studies and in clinical trials conducted to date, batoclimab has been observed to reduce immunoglobulin G (“IgG”) antibody levels. High levels of pathogenic IgG antibodies drive a variety of autoimmune diseases and, as a result, we believe batoclimab has the potential for broad application in these disease areas.

Likewise, IMVT-1402, our second product candidate, has also been observed in nonclinical studies to reduce IgG antibody levels. Importantly, based on the anticipated human effective dose levels, the human equivalent doses of IMVT-1402 have demonstrated minimal or no impact on levels of albumin and LDL cholesterol in cynomolgus monkeys. This is a key attribute for IMVT-1402, which we believe could potentially allow its use as a treatment of chronic conditions requiring maintenance doses that achieve high degrees of IgG suppression. We are developing batoclimab and IMVT-1402 in autoimmune diseases for which there is robust evidence that pathogenic IgG antibodies drive disease manifestation and for which reduction of IgG antibodies should lead to clinical benefit.

Batoclimab for the Potential Treatment of MG

MG overview

MG is an autoimmune disorder associated with muscle weakness and fatigue. MG patients develop antibodies that lead to an immunological attack on critical signaling receptor proteins at the junction between nerve and muscle cells, thereby inhibiting the ability of nerves to communicate properly with muscles. This leads to muscle weakness intensified by activity, which can be localized exclusively to ocular muscles or which can be more generalized throughout the body including muscles of respiration. The vast majority of MG patients demonstrate elevated serum levels of acetylcholine receptor (“AChR”) antibodies which disrupt signal transmission between nerve fibers and muscle fibers. These antibodies ultimately lead to fluctuating muscle weakness and fatigue.

The prevalence of MG is estimated to be 18 per 100,000, with up to 59,000 cases in the U.S. MG can occur at any age; however, the age of onset tends to follow a bimodal distribution. Early onset disease usually occurs in individuals between 10 to 30 years old and predominantly affects females. Later onset disease usually occurs in individuals over 50 years old and predominantly affects males. As with many autoimmune diseases, there are no known genetic alterations that specifically cause MG, and in most patients, it arises spontaneously.

The symptoms of the disease can be transient and in the early stages of the disease can remit spontaneously. However, as the disease progresses, symptom-free periods become less frequent and disease exacerbations can last for months or remain chronic. After 15 to 20 years, some weakness often becomes fixed, with the most severely affected muscles frequently becoming atrophic. Many patients find it difficult to perform daily activities due to both insufficient improvement in symptoms even after treatment and in some the complicating long-term side effects of oral corticosteroids, a common treatment for MG.

Very early stage MG is symptomatically treated with acetylcholinesterase inhibitors such as pyridostigmine. As the disease progresses, patients are typically treated with immunosuppressive agents such as glucocorticoids, azathioprine, mycophenolate mofetil and cyclosporine. As MG becomes more advanced, patients can be treated during exacerbations with IVIg, which provides therapeutic benefit through multiple potential mechanisms including the saturation of FcRn. The most recent agents approved for MG are eculizumab and ravulizumab-cwvz, two complement C5 inhibitors, the use of which is limited to patients refractory to available therapy with anti-AChR-positive MG. Efgartigimod, an anti-FcRn antibody fragment, was recently approved for the treatment of MG in adult patients who are anti-AChR antibody positive. We believe there is room to improve upon this current treatment paradigm for MG, as some of these treatments can leave patients with burdensome administration requirements, significant side effects or long wait times to see treatment effect.

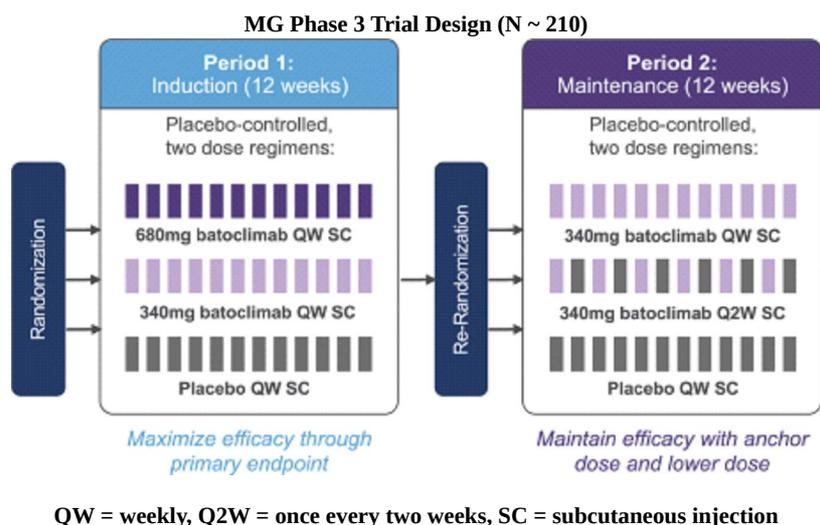
Clinical data

In 2019, we initiated a multi-center, randomized, blinded, placebo-controlled Phase 2a clinical trial of batoclimab for the treatment of MG. As evaluated in a pre-specified, pooled analysis of 15 subjects who completed Day 42 of the trial, batoclimab-treated subjects (N=10) showed a clinical improvement in both the MG-ADL scale and the MGC scale. We believe, based upon our review of data from this Phase 2a trial of batoclimab in MG, that there is sufficient proof of concept to pursue a pivotal trial to evaluate batoclimab for the treatment of MG.

Development plan

In the second quarter of calendar year 2022, we initiated our Phase 3 pivotal trial of batoclimab as a treatment for MG. We expect top-line data from this trial to be available in the second half of calendar year 2024.

Our trial is designed to address unmet patient needs and differentiate batoclimab from other treatments for MG.



Batoclimab for the Potential Treatment of TED

TED overview

TED, also referred to as Graves' Ophthalmopathy or GO, is a sight-threatening autoimmune inflammatory disorder that affects the muscles and tissues surrounding the eyes. Initial symptoms may include a dry and gritty ocular sensation, sensitivity to light, excessive tearing, double vision, and a sensation of pressure behind the eyes. At diagnosis, many patients with TED have retraction of their upper eyelids, swelling and redness surrounding the eyes, and protrusion of their eyeballs (proptosis). In some cases, swelling and stiffness of the eye muscles prevent the eyes from working together causing double vision. Decompression surgery to improve ocular function or rehabilitative surgery to improve quality of life is required in up to 20% of TED patients.

TED is most commonly caused by IgG autoantibodies that form against the thyroid-stimulating hormone receptor ("TSHR"). These anti-TSHR antibodies activate cells in the extraocular space that highly express TSHR, such as fibroblasts and adipocytes. Levels of anti-TSHR autoantibodies correlate positively with clinical features of TED and influence its prognosis.

In addition to anti-TSHR autoantibodies, antibodies that activate the insulin-like growth factor 1 receptor ("IGF1R") may also contribute to TED. TSHR and IGF1R have functional overlaps and stimulation of either receptor may lead to activation of similar biochemical pathways implicated in TED. The exact nature of the interaction between IGF1R and TSHR continues to be investigated; however, experimental evidence suggests that the effects of TSHR stimulating antibodies are only partially blocked by an IGF1R antagonist while they may be completely blocked with a TSHR antagonist.

TED has an estimated annual incidence of 10 in 100,000 in the U.S. The natural history of TED begins with an inflammatory phase lasting between six and 24 months that is characterized by lymphocyte infiltration, fibroblast proliferation and increases in adipose tissue. The first line of treatment for TED patients is generally immunosuppressive therapy, including high doses of corticosteroids. Treatment of patients with immunosuppressive therapies during this active inflammatory phase can lead to reduction in symptoms and can alter the course of the disease. However, once the initial inflammatory phase is over, immunosuppressive therapies are ineffective and levels of fibrosis that have developed as the result of acute inflammation are only reversible by surgery. We estimate that 15,000 to 20,000 patients in the U.S. have active TED each year and are eligible for treatment with therapy directed at the causative anti-TSHR antibodies.

As a first option, patients with active TED are treated with immunosuppressive therapy such as high doses of corticosteroids, typically administered intravenously or orally. Corticosteroids are not effective in all patients, and approximately one-third of patients will relapse. This therapy is associated with an increased risk of acute and severe organ damage, bone thinning, weight gain, diabetes, hypertension, osteoporosis and depression. In January 2020, the FDA approved Horizon Therapeutics' Tepezza (teprotumumab), an anti-IGF-1R antibody, for the treatment of TED. Orbital radiation therapy is used as a means of reducing the infiltration of lymphocytes and can be used in conjunction with corticosteroids or immunosuppressive therapy. Similar to these anti-inflammatory and immunosuppressive drugs, radiation therapy is most effective in the active stage of TED. Patients with moderate-to-severe active TED not responding to corticosteroids can be treated with cyclosporine or mycophenolate mofetil, two broad immunosuppressive drugs. These drugs are associated with numerous side effects related both to their general immunosuppressive effects as well as to inherent toxicities, such as hypertension, kidney disease and gastrointestinal toxicity. Small case studies have identified rituximab as an alternate way of inducing immunosuppression in patients with TED. Rituximab (Roche) is a monoclonal antibody that binds to an antigen specific to B cells, leading to their destruction. However, rituximab is associated with the potential for serious side effects, such as infusion-related reactions. Surgery is considered to be a treatment option in patients with a highly active disease who have been treated with corticosteroids or immunosuppressive therapy but continue to have progressive disease. Because of its invasive nature, surgery is typically reserved for inactive disease.

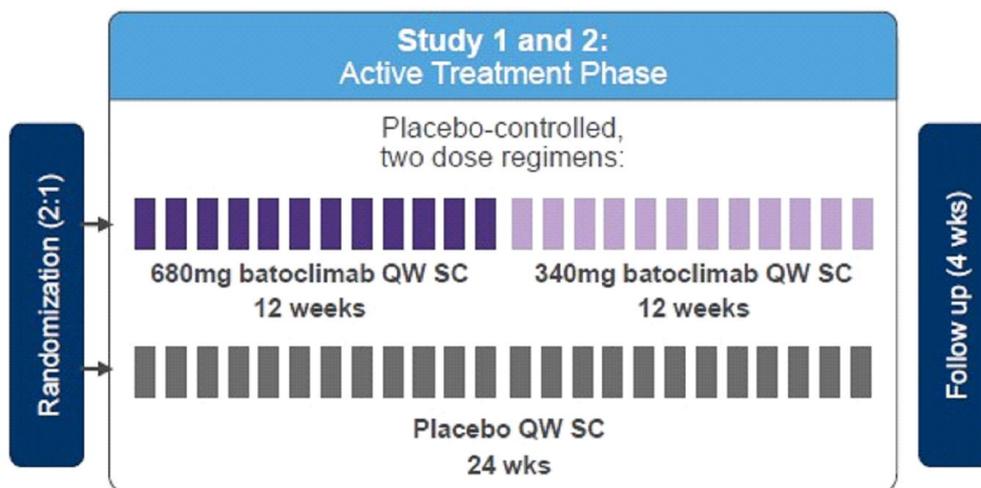
Clinical data

In 2019, we initiated an open-label, single-arm Phase 2a clinical trial of batoclimab for the treatment of TED. In 2019, we also initiated a randomized, masked, placebo-controlled Phase 2b clinical trial of batoclimab for the treatment of TED. Our voluntary pause in dosing in February 2021, resulted in unblinding the Phase 2b trial and the primary endpoint was not significant. However, our analysis of exploratory endpoints from the Phase 2b trial, in addition to the findings from the Phase 2a trial, increased our confidence in the anti-FcRn mechanism of action for patients with TED, and they provide part of the basis for our interest in moving forward with further development of TED.

Development plan

In the fourth quarter of calendar year 2022, we initiated our Phase 3 clinical program to evaluate batoclimab as a treatment for TED. We expect top-line results from this program to be available in the first half of calendar year 2025.

TED Phase 3 Trial Design (N~100 per trial)



Batoclimab for the Potential Treatment of CIDP

CIDP Overview

CIDP is believed to be an immune mediated neuropathy characterized by demyelination of peripheral nerves and nerve roots that is driven by pathologic, autoreactive immunoglobulin G (IgG) antibodies. Worldwide, the reported prevalence of CIDP ranges from 0.8 to 8.9 per 100,000 persons. The average age of onset is about 50 years, with relapsing disease course associated with younger age of patients, and men are predominantly affected in an approximately 2:1 ratio relative to women.

CIDP typically presents with progressive or relapsing, symmetric involvement of both proximal and distal extremity muscle weakness over the course of several weeks. The pathophysiology of CIDP is not completely understood. However, it is thought that an inciting process such as molecular mimicry causes activation of autoreactive T cells.

With respect to clinical management, IVIg, corticosteroids, and plasma exchange (“PLEX”) are considered as first-line therapy in the treatment of CIDP. The treatment paradigm involves initiation of therapy with one of these three agents. For patients who fail to achieve objective improvement (i.e., of impairment and disability) after 3 months of treatment, a second or third first line agent may be tried. Alternative options include rituximab, cyclophosphamide, or cyclosporine, although there is limited evidence supporting their use as treatments for CIDP. Once objective improvement is achieved, the patient may be switched to maintenance treatment, the goal of which is to reduce the dose or frequency of treatment to the minimum effective level. For maintenance therapy, patients may be switched from IVIg to subcutaneous immunoglobulin (“SCIg”); and immunomodulatory agents such as azathioprine, cyclosporine, or mycophenolate may be used for IVIg dose-reducing, corticosteroid-sparing or PLEX frequency-reducing effect.

Despite the availability of the therapies described above, there remains significant unmet medical need for patients with CIDP. For example, although immunoglobulin therapy (IVIg, SCIg) is effective, it may be associated with significant side effects and complications such as severe headache, thromboembolism, and hemolysis. Additionally, IVIg therapy imposes a burden on patients’ time and requires in-person attendance visits at infusion center access to home health agency support for at-home administration remains limited. Corticosteroid therapy, though effective, has been linked with a number of well-known serious adverse events (e.g., weight gain, hypertension, diabetes, and osteoporosis), especially with chronic use. PLEX is a specialized procedure requiring central venous access and is not universally available. The immunomodulatory therapies that may be used in CIDP are all associated with significant potential risks, including the possibility of malignancy and/or infection. To summarize, the currently available treatments are associated with significant potential risk of adverse events, generally impose a high burden on patient’s time and effort and may be subject to restricted availability.

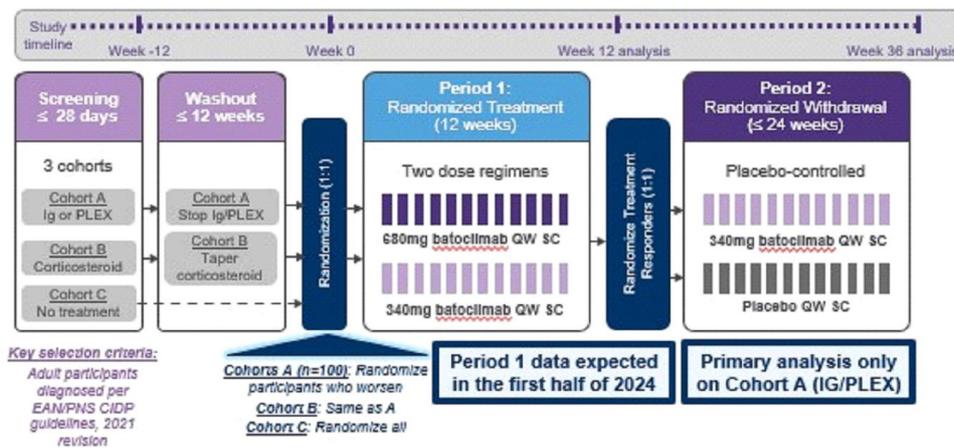
Development Plan

In the fourth quarter of calendar year 2022, we initiated a pivotal Phase 2b trial of batoclimab as a treatment for CIDP. We expect initial data from the open-label period of this trial (where one of two blinded doses of batoclimab are delivered) to be available in the first half of calendar year 2024.

Our trial is intended to develop a potentially best-in-class chronic anti-FcRn therapy in CIDP. Key features of the trial include:

- Three cohorts consisting of adult participants diagnosed with CIDP per European Academy of Neurology/Peripheral Nerve Society CIDP guidelines, 2021 revision. Randomized cohorts are defined by CIDP treatment at screening (i.e., Ig or PLEX, corticosteroid or no treatment).
- Washout period of ≤ 12 weeks: Participants who fail to worsen by the end of the washout period will be withdrawn from the study.
- Period 1 - Randomized Treatment (12 weeks): Two dose regimens include doses of 680 mg subcutaneous injection weekly (“QW SC”) or 340 mg QW SC. Non-responders who complete Period 1 will be withdrawn from the study after completing Week 12 and the subsequent 4-week follow-up visit.
- Period 2 - Randomized Withdrawal (≤ 24 weeks): Includes doses of 340 mg QW SC or placebo.
- Primary endpoint: Proportion of relapse events in Period 2 for patients receiving Ig or PLEX at time of screening (Cohort A).
- Long Term Extension: Participants that relapse in Period 2 or complete Period 2 without relapse will be eligible for participation in the Long-term Extension Study. Participants without relapse will receive doses of 340 mg QW while those that relapse in Period 2 will receive an initial dose of 680 mg QW for 4 weeks followed by the 340 mg QW dose.

CIDP Phase 2b Trial Design



Batoclimab as a Potential Treatment for Graves’ Disease

GD Overview

GD is an autoimmune disease that affects the thyroid gland. Patients with GD develop autoantibodies to the thyroid-stimulating hormone receptor (“TSHR-Ab”) present on the thyroid gland, which induces increased and uncontrolled secretion of thyroid hormones (hyperthyroidism). Because thyroid hormones play an important role in controlling functions of many organs such as heart, central and peripheral nervous system, muscle, bone, and skin, the presence of excessive thyroid hormones is associated with a variety of signs and symptoms including enlarged thyroid gland (goiter), palpitations, arrhythmia, anxiety, weight loss, insomnia, osteoporosis, and pretibial myxedema. While neurogenic symptoms like anxiety and tremor are more common among younger patients, older patients tend to present with cardiovascular complications such as rapid and/or irregular heartbeat or even heart failure. The presence of TSHR-Ab is also involved in the pathogenesis of GO, also known as TED, which is more likely to occur in patients with GD who have a more severe degree of hyperthyroidism, larger goiter, history of smoking, and have been treated with radioiodine (“RAI”). The reported incidence and prevalence of GD varies according to the methodology applied, but it is estimated that it affects approximately 2% of women and 0.2% of men globally, with an incidence of approximately 20–40 cases per 100,000 population per year. GD is the most common cause of hyperthyroidism and occurs at all ages but especially in adults aged between 20 and 50 years and women of reproductive age.

The main treatment goal of GD is to reduce thyroid hormone levels. There are three options available: surgery, RAI, and oral antithyroid drugs (“ATDs”). Surgery, which involves removal of the entire thyroid gland (thyroidectomy) is an option, especially for patients with large goiters, women planning pregnancy, and, in some cases, patients who have failed to respond to ATDs. Although any such surgical procedure may lead to an immediate resolution of the hyperthyroidism, it is associated with a number of complications, including parathyroid gland injury, which may lead to transient or persistent hypocalcemia, and damage of the laryngeal nerve. In addition, to reduce the risk of acute complications during the procedure, patients often require pre-operative treatments to ensure cardiovascular and thyroid hormone stability.

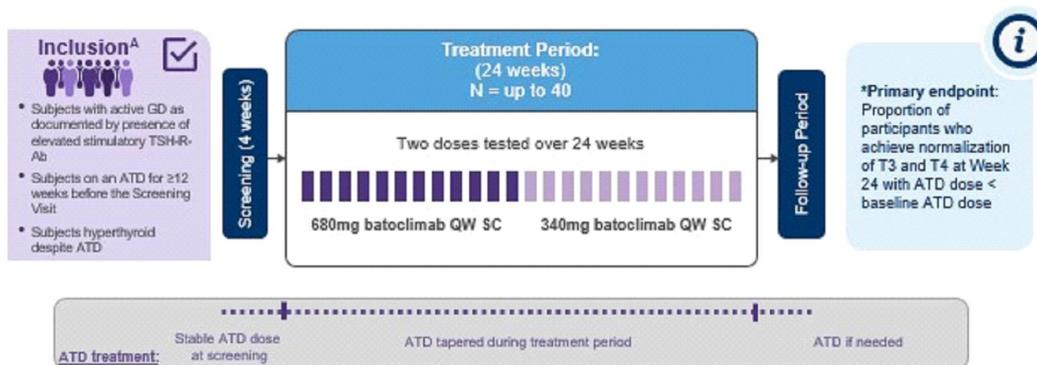
Treatment with RAI destroys the thyroid because ionizing radiation causes deoxyribonucleic acid damage. It is considered treatment of choice in several countries, especially if ATDs are contraindicated or among patients who do not respond to this drug class. Recent data suggest an association between RAI radioiodine and several types of cancer. In addition to the potentially increased risk of cancer after RAI, an association with sustained increases in TSHR-Ab titers and risk for de novo Graves’ GO and worsening of pre-existing ophthalmopathy have all been drivers of this shift in care away from RAI.

The most commonly used ATDs in the U.S. are the thionamides, methimazole and propylthiouracil. While these drugs are considered generally safe, their chronic use can be associated with hepatotoxicity, pancreatitis and bone marrow toxicity. For this reason, patients need laboratory monitoring, and complete blood count and liver function tests are needed before treatment initiation. Treatment with ATD is usually administered for 12 to 18 months according to the American and European guidelines, with remission rates of 50% to 55% achieved within this period. However, many patients experience a relapse after discontinuation of ATD.

Development Plan

In the second quarter of calendar year 2023, we initiated a proof-of-concept Phase 2 clinical trial in GD in Germany. We expect initial results from this trial to be available in the fourth quarter of calendar year 2023.

GD Phase 2 Trial Design



A: Additional inclusion and exclusion criteria not listed

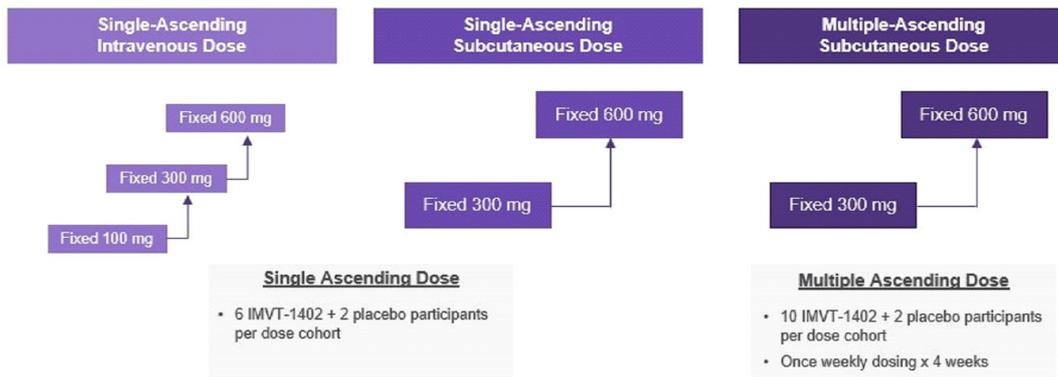
IMVT-1402

IMVT-1402 is a fully human monoclonal antibody that inhibits FcRn and was part of a group of antibodies licensed from HanAll under the HanAll Agreement (as defined below). IMVT-1402 has three key product attributes that potentially differentiate it from other FcRn inhibitors. First, in nonclinical studies, we observed that IMVT-1402 had a similarly deep IgG reduction to what we observed with batoclimab in nonclinical studies. Second, we have completed CMC and formulation work for IMVT-1402 to enable the same convenient route of administration and simple subcutaneous delivery as batoclimab. Finally, in a head-to-head nonclinical study comparing IMVT-1402 with batoclimab at doses above the expected human effective dose, IMVT-1402 showed minimal or no impact on albumin and LDL cholesterol.

Development Plan

In the second quarter of calendar year 2023, the FDA cleared our Investigational New Drug (“IND”) application for IMVT-1402 and we initiated a Phase 1 clinical trial of IMVT-1402 in healthy volunteers in New Zealand after approval of the Clinical Trial Application (“CTA”) by the regulatory authority, MEDSAFE. The clinical trial will evaluate the safety, tolerability and pharmacodynamic profiles of IMVT-1402, a subcutaneously administered, FcRn inhibitor. We expect initial data from single-ascending dose cohorts to be available in August or September 2023 and from multiple-ascending dose cohorts in October or November 2023. The Phase 1 trial design is presented below:

IMVT-1402 Phase 1 Clinical Trial Design



IMVT-1402 is delivered as a 2 mL simple subcutaneous injection with a 27-gauge needle at a concentration of 150 mg/mL in the Subcutaneous Dose cohorts. Additional or optional cohorts may include 1,200 mg IV single-ascending dose, 150 mg SC multiple-ascending dose and 450 mg SC multiple-ascending dose. The first multiple-ascending dose cohort will be initiated after review of pharmacokinetic (“PK”) and safety data from single-ascending dose cohorts at the same or higher dose levels, with the final dose selection for the first multiple-ascending dose cohort dependent on this PK review. Single and multiple ascending dose cohorts will be initiated following review of safety data and PK data from all previously dosed cohorts.

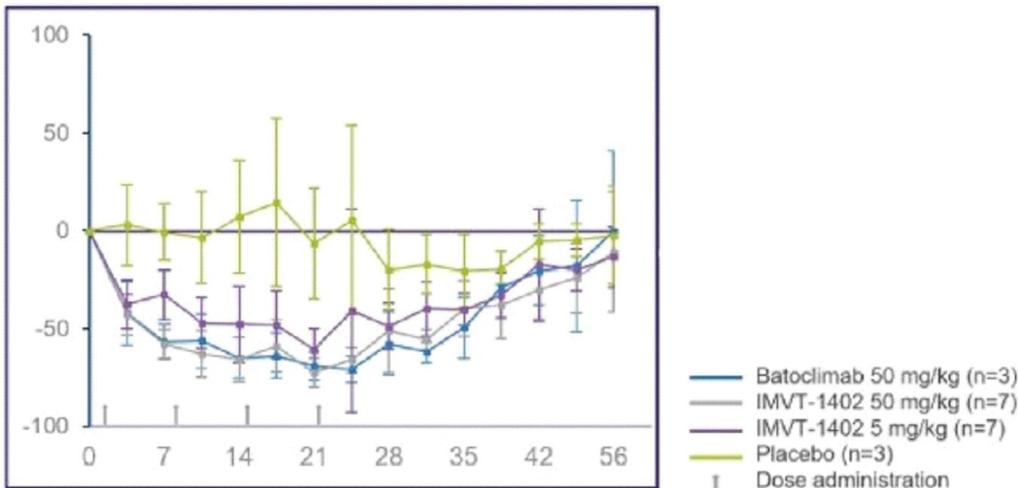
Nonclinical Studies of IMVT-1402

Based on monkey and human data from molecules in the anti-FcRn class, dose-dependent IgG suppressions can be achieved with an anti-FcRn treatment up to approximately 80% of baseline values in human studies; and the PK and pharmacodynamics (“PD”) of FcRn blockade are highly translatable from cynomolgus monkeys to humans. IMVT-1402, our second anti-FcRn product candidate, has also been observed in nonclinical studies in cynomolgus monkeys to reduce IgG levels to a degree similar to batoclimab. Importantly, based on the anticipated human effective dose levels, the human equivalent doses of IMVT-1402 have demonstrated minimal or no impact on levels of albumin and LDL cholesterol in cynomolgus monkeys. This is a key attribute for IMVT-1402, which we believe could potentially allow its use as a treatment of chronic conditions requiring maintenance doses that achieve high degrees of IgG suppression. We are developing batoclimab and IMVT-1402 in autoimmune diseases for which there is robust evidence that pathogenic IgG antibodies drive disease manifestation and for which reduction of IgG antibodies would be expected to lead to clinical benefit.

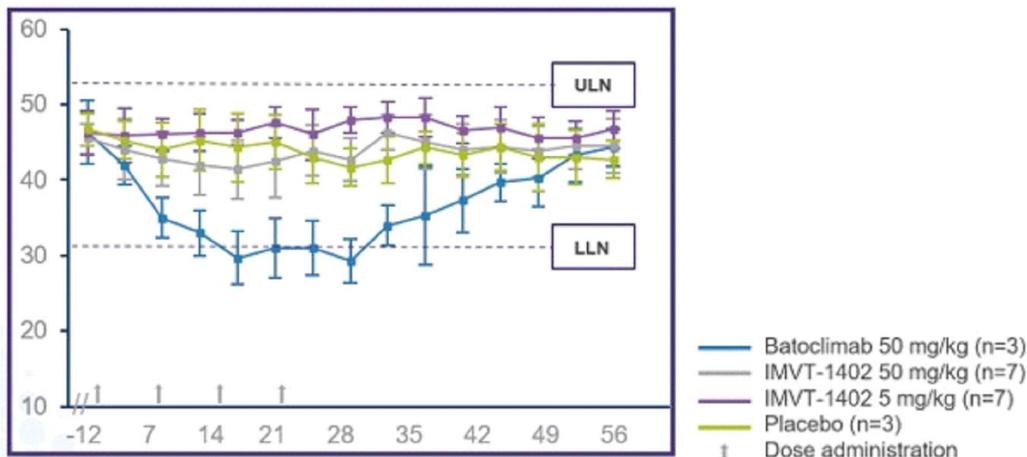
Pharmacodynamic Data

In a head-to-head, placebo-controlled nonclinical study, IMVT-1402 has been observed to achieve similarly deep IgG reduction as batoclimab and have minimal or no impact on levels of albumin and low-density lipoprotein cholesterol at doses well above the anticipated human effective dose. We believe this profile could be best in class.

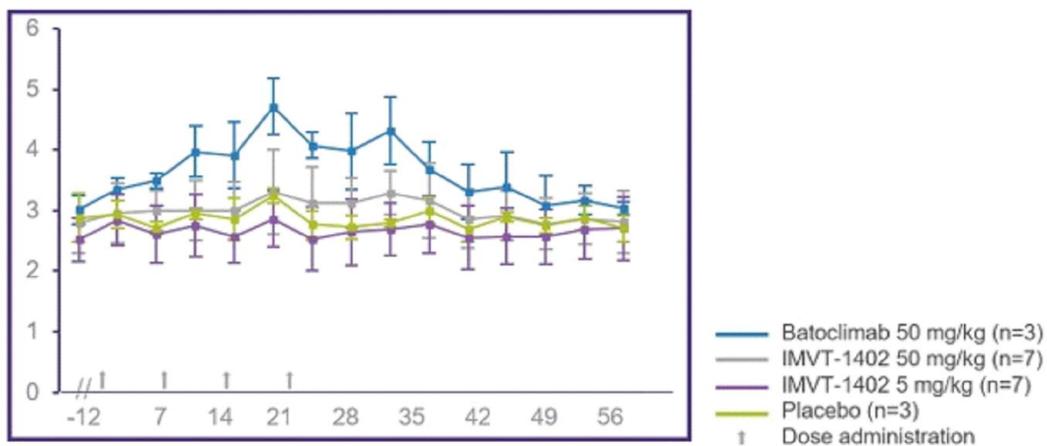
Mean Reduction of Total IgG Levels in Head-to-Head Study of IMVT-1402 and Batoclimab in Cynomolgus Monkey



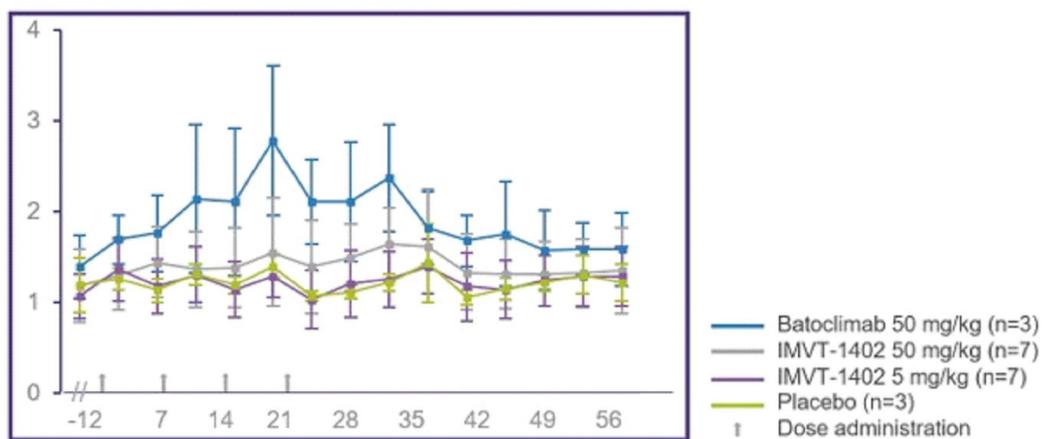
Mean Change in Albumin in Head-to-Head Study of IMVT-1402 and Batoclimab in Cynomolgus Monkey



Mean Change in Total Cholesterol in Head-to-Head Study of IMVT-1402 and Batoclimab in Cynomolgus Monkey



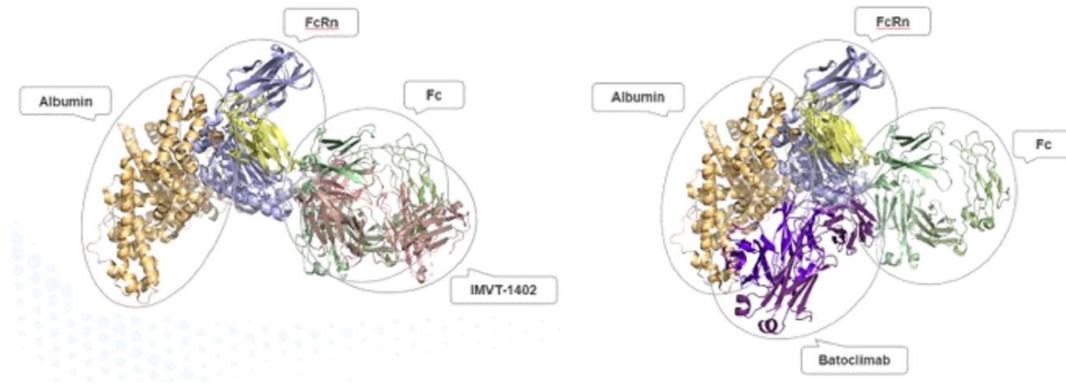
Mean Change in LDL Cholesterol in Head-to-Head Study of IMVT-1402 and Batoclimab in Cynomolgus Monkey



X-Ray Crystallography Structure Analysis

The lack of observed albumin impact by IMVT-1402 is corroborated by x-ray crystallographic structures of FcRn complexes with IMVT-1402 and batoclimab. It is apparent that IMVT-1402 orients differently from batoclimab when bound to FcRn.

Ribbon Representations of X-Ray Crystallographic Structures of IMVT-1402- and Batoclimab-FcRn Complexes



Potential New Indications

We continue to evaluate potential new indications for batoclimab and IMVT-1402 by considering a number of factors including, but not limited to, degree of unmet medical need, potential benefit offered by the treatment, target patient population size, and commercial potential.

Telavant Overview

- **Overview:**

- Telavant is developing RVT-3101, a monoclonal antibody targeting tumor necrosis factor-like cytokine 1A (“TL1A”), for the treatment of inflammatory bowel disease (“IBD”), including ulcerative colitis (“UC”) and Crohn’s disease (“CD”), as well other inflammatory and fibrotic disorders.

- **Lead program:**

- RVT-3101 is a potentially first-in-class, fully human monoclonal antibody targeting TL1A. TL1A blockade is a novel, pleiotropic mechanism of action that inhibits the pathogenic amplification of multiple immune cell subsets, the production of proinflammatory cytokines and lowers markers of fibrosis that characterize IBD and numerous other immune and fibrotic diseases. RVT-3101 is Phase 3-ready in UC and Phase 2 in CD, with the potential to be the preferred treatment option and first precision therapy in moderate to severe IBD patients.

- **Disease overview:**

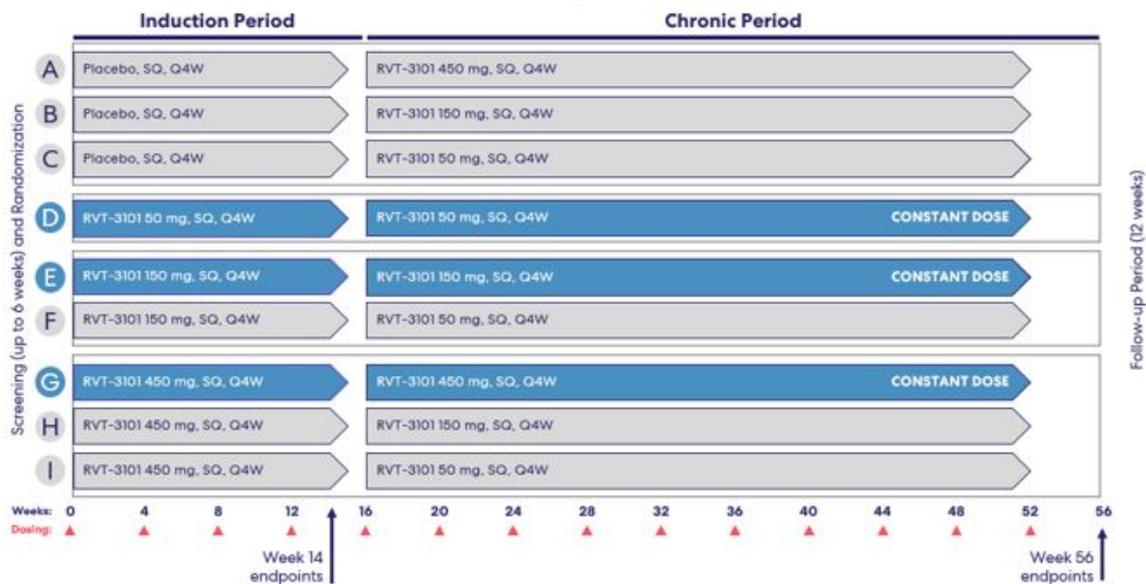
- Ulcerative colitis is a chronic inflammatory bowel disease characterized by relapsing and remitting mucosal inflammation. The inflammation is limited to the rectum and colon and is driven initially by either an epithelial cell or structural intestinal epithelial dysfunction. Associated symptoms include abdominal pain, diarrhea, urgency, tenesmus and incontinence. Patients with moderate to severe UC tend to be dependent on, or refractory to, corticosteroids and other treatments, including advanced therapies, have considerable endoscopic disease activity (presence of ulcers), and can be at high risk of colectomy.
- Crohn’s disease is characterized by transmural inflammation which may involve any portion of the luminal gastrointestinal tract, and can extend from the perianal area to esophagus and even the oral cavity. The typical symptoms of CD include abdominal pain, diarrhea (with or without bleeding), fatigue and weight loss. CD can lead to the development of structural complications, including strictures (narrowing of the intestine), fistulas (tracts that connect the intestine to other organs) and abscesses. Strictures often lead to repeated episodes of abdominal pain and small bowel obstruction, or less commonly, colonic obstruction. CD is also associated with complications beyond the GI tract and patients show a heightened risk of colorectal and small bowel cancer.
- IBD is an approximately \$17 billion market in the U.S. alone and growing, with leading therapies generating over \$15 billion in U.S. sales in 2022. We estimate that there are over two million patients in the U.S. that suffer from IBD, with UC and CD being the two most common forms.

- **Limitations of current treatments:**

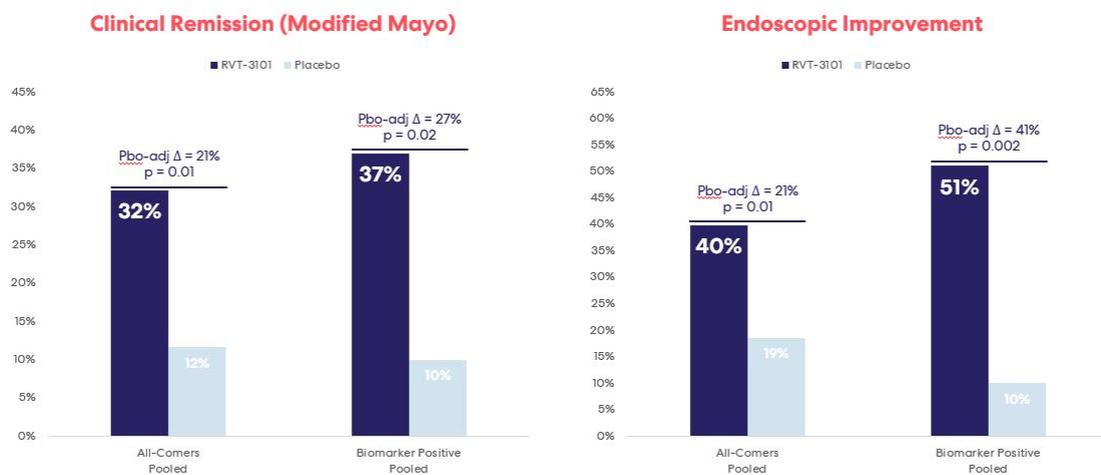
- Poor prognostic indicators, limited efficacy, an unfavorable safety and tolerability profile and a lack of biomarkers lead to a “trial and error” treatment paradigm or the eventual removal of the colon for more severe IBD patients.
- The treatment goal for patients with moderate to severe UC is to achieve remission, defined as durable clinical and endoscopic remission without corticosteroid therapy. Aminosalicylates (5-ASAs) are the preferred initial treatment option, followed by corticosteroids. Patients that do not respond adequately to steroid use or are unable to taper off without disease relapse then move onto advanced therapies, such as TNF, integrin, IL-12/23 or JAK inhibitors. Despite the approval of multiple classes of advanced therapies, the unmet need for patients to achieve remission is high. Remission rates remain below 30%, and many patients lose their response over time. Many of the existing treatment options do not offer both high-end efficacy and a favorable safety profile.
- The treatment goal for patients with CD is to achieve and maintain remission as existing agents often struggle to maintain consistent efficacy throughout the lifetime of a patient. Corticosteroids and immunosuppressive medication are generally used as the initial treatment options. TNF inhibitors are the most used advanced therapies for moderate to severe patients, however, while they may be fast-acting and effective in the induction setting, they often drop off in efficacy in the maintenance settings. Other approved agents, such as integrin, IL-12/23, and JAK inhibitors have similar limitations, either due to safety or efficacy. A large unmet need still exists for CD patients for a safe and effective long-term treatment option. Additionally, remission rates in biologic experienced or inadequate responders can be modest, indicating a high unmet need in the second-line advanced setting. In addition, there can be fibrotic manifestations in CD which are particularly hard to treat, especially with available therapies.

Clinical data:

- To date, clinical proof of concept has been demonstrated in ~300 patients across two Phase 2 (TUSCANY and TUSCANY-2) trials of RVT-3101 in UC supporting a Phase 3 program in a broad population of patients with moderate/severe active UC. Across all clinical studies more than 400 subjects have been dosed with RVT-3101.
- TUSCANY-2 is a large, global, randomized, double-blind, placebo-controlled dose-ranging Phase 2b study to investigate the efficacy, safety and pharmacokinetics of RVT-3101 in adult participants with moderate to severe ulcerative colitis. TUSCANY-2 is a 56-week study in which the key efficacy and safety endpoints from the induction period comparing different doses of RVT-3101 against placebo were evaluated at week 14. Key outcomes for the chronic period, in which all patients were to receive RVT-3101, were evaluated at week 56. Patients who received RVT-3101 in the induction period were preassigned to receive either the same or a lower dose in the chronic period.

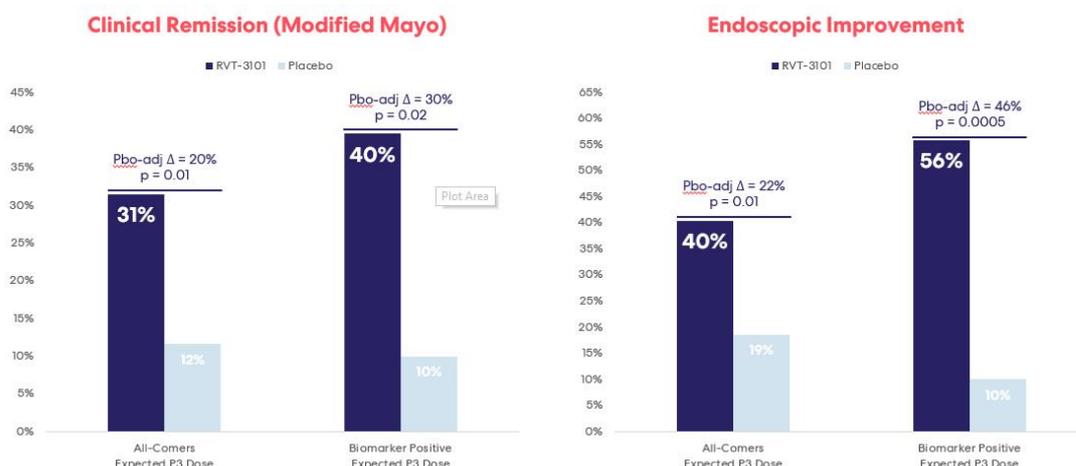


- After the induction period of TUSCANY-2 (Week 14), RVT-3101 demonstrated statistically significant and clinically meaningful rates of clinical remission and endoscopic improvement versus placebo at each dose tested. Biomarker positive patients achieved higher clinical remission and endoscopic improvement compared to all-comers.

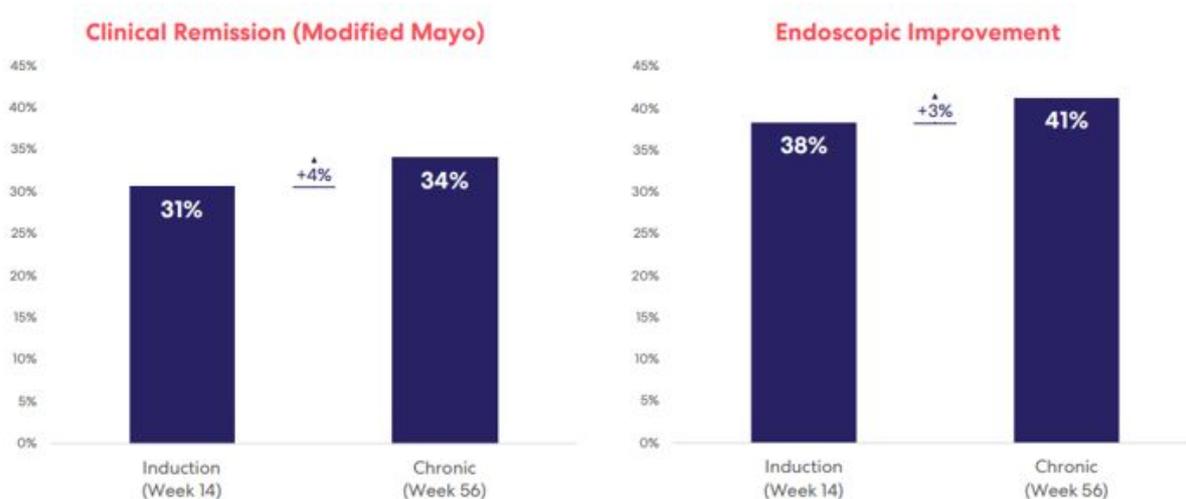


- In ~20% of patients across the study, biomarker was not analyzed due to lack of consent at specific sites.
- Among patients for whom biomarker status was analyzed, biomarker positive or negative status was determined in 100% of patients.
- One-sided p-value of difference of proportions were computed using Chan And Zhang (1999) method, in accordance with Pfizer’s prespecified statistical analysis plan. Statistical significance considered to be a p-value ≤ 0.025.
- Placebo-adjusted delta values may not exactly match the difference between gross and placebo values due to rounding.

- At the expected Phase 3 dose of RVT-3101, statistically significant and clinically meaningful improvements in clinical remission and endoscopic improvement beyond those seen in the overall population were observed.

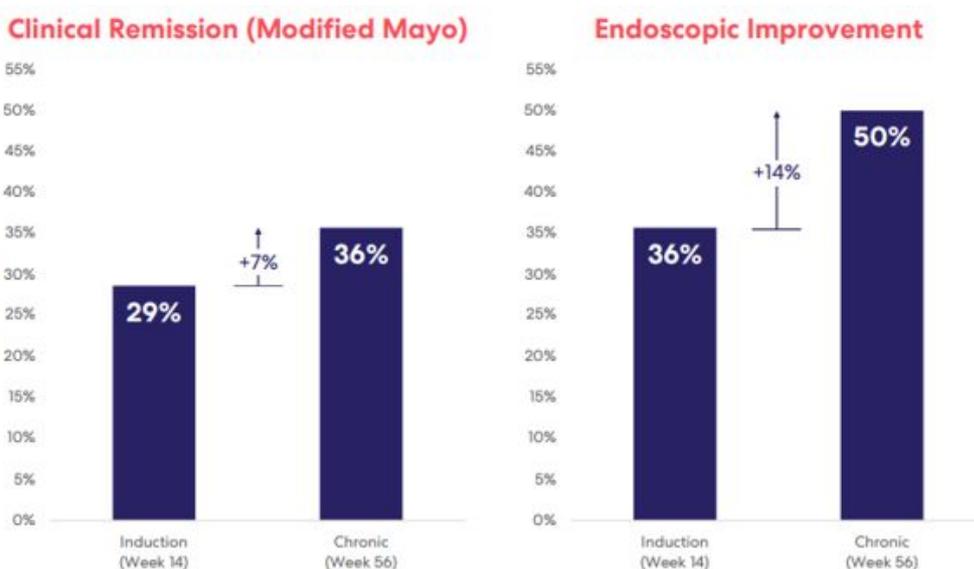


- After the chronic portion of TUSCANY-2 (Week 56), clinically meaningful rates of clinical remission and endoscopic improvement were observed, which improved between the induction and chronic periods in patients that were dosed in the chronic period across multiple endpoints.



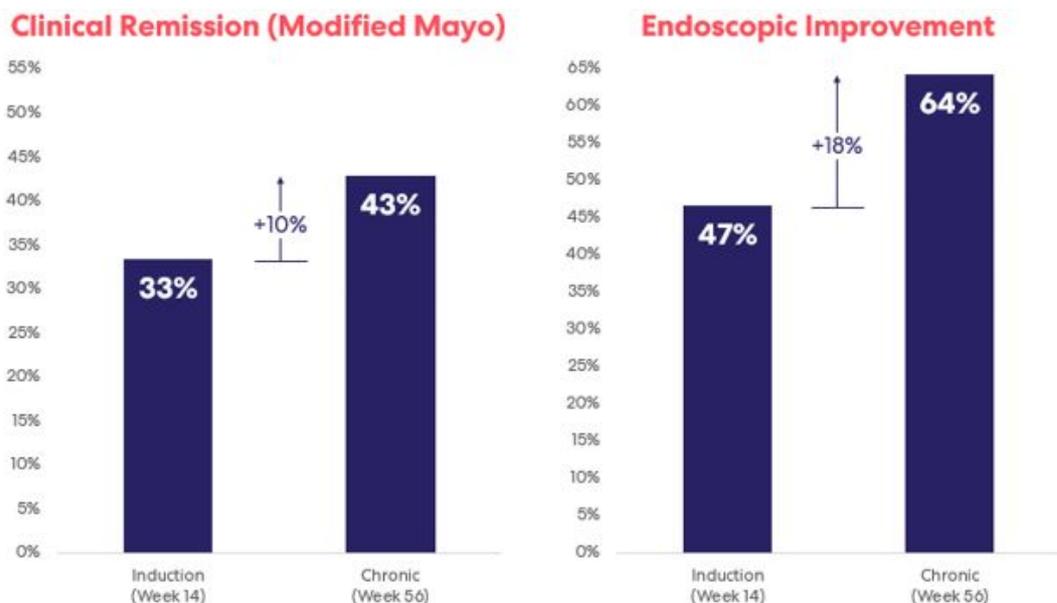
Induction and Chronic Period data shown here refer to mITT population at Week 14 and Week 56, where mITT is defined as patients who received at least one dose of RVT-3101 in the Chronic Period (N = 224). Delta values may not exactly match the difference between Week 14 and Week 56 values due to rounding.

- At the expected Phase 3 dose, the observed improvements exceeded those observed in the overall population. Data shown below include all patients assigned to the expected Phase 3 dose throughout the entire study.



Induction and Chronic Period data shown here refer to mITT population at Week 14 and Week 56 Delta values may not exactly match the difference between Week 14 and Week 56 values due to rounding.

- Similar to the Induction Period, the clinical remission and endoscopic improvement results observed in the biomarker positive subpopulation exceeded that in the overall patient population. Data shown below are for patients who were positive for the biomarker and received the expected Phase 3 dose throughout the trial.



Induction and Chronic Period data shown here refer to mITT population at Week 14 and Week 56 Delta values may not exactly match the difference between Week 14 and Week 56 values due to rounding.

- RVT-3101 was well-tolerated through Week 56 at all doses in TUSCANY-2. There was no observed negative impact of antidrug antibodies on short-term or long-term clinical remission and endoscopic improvement results and 0% of patients had neutralizing antibodies at Week 56 at the expected Phase 3 dose of RVT-3101.

	Induction Period (Prior to Week 16)			Chronic Period (Weeks 16 to 56)		
	Placebo	All Drug Arms	Exp P3 Dose	All Arms	Constant Exp P3 Dose	Pbo → Exp P3 Dose
Participants with adverse events (AEs)	56%	47%	54%	59%	66%	64%
Participants with severe AEs	9%	2%	2%	6%	14%	0%
Participants with serious AEs	9%	4%	4%	5%	14%	0%
Participants who discontinued study due to AEs	0%	0%	0%	0%	0%	0%
Participants who discontinued study drug due to AEs	7%	3%	2%	5%	3%	0%
Participants with dose reduced or temporary discontinuation due to AEs	0%	1%	0%	2%	3%	7%
Deaths	0%	0%	0%	0%	0%	0%
Treatment-Emergent AEs at ≥5% in Chronic Period						
Colitis ulcerative	2%	5%	4%	10%	3%	0%
SARS-CoV-2 test positive	2%	1%	1%	8%	7%	14%
Anemia	9%	5%	2%	8%	10%	0%
Pyrexia	2%	3%	5%	5%	3%	0%
Headache	2%	6%	10%	5%	3%	7%
Injection site reactions	2%	3%	2%	3%	0%	7%

↑ All Nine Arms ↑ Either Arm D, E or G ↑ Either Arm A, B or C

- **Development plan and upcoming milestones:**

- We have initiated a Phase 2 dose-ranging study of RVT-3101 in patients with CD. We expect topline data from the induction period to be available in the fourth quarter of calendar year 2024.
- We are preparing a large, randomized, controlled Phase 3 clinical program of RVT-3101 in patients with UC.

- **Roivant ownership:**

- As of March 31, 2023, we own 75% of the issued and outstanding shares of Telavant and 75% on a fully diluted basis.

Genevant Overview

- **Overview:**
 - Genevant is a technology-focused nucleic acid delivery and development company with two delivery platforms—a lipid nanoparticle (“LNP”) platform and a ligand conjugate platform—an expansive intellectual property portfolio and deep scientific expertise, currently focused on partnering with other pharmaceutical or biotechnology companies to enable the development of nucleic acid therapeutics for unmet medical needs.
- **Delivery platforms:**
 - Genevant has two delivery platforms: LNP and ligand conjugate.
 - LNP platform:
 - Proven technology as demonstrated by head-to-head *in vivo* ionizable lipid study assessing LNP potency and immune stimulation
 - Clinically validated for hepatocyte and vaccine applications and in various stages of development for other traditionally hard-to-reach tissues and cell types, including lung, eye, central nervous system, and hepatic stellate and immune cells
 - Over 650 issued patents and pending patent applications as of March 31, 2023
 - Ligand conjugate platform:
 - Novel GalNAc ligands with demonstrated ability to deliver to the liver in preclinical studies
 - In preclinical head-to-head testing, demonstrated equal or better preclinical potency, assessed by duration and magnitude of knockdown, compared to a current industry benchmark
 - Applying delivery expertise to design novel extrahepatic ligands to expand therapeutic reach
- **Collaboration-based business model:**
 - Genevant uses its expertise in the delivery of nucleic acid therapeutics to develop optimal delivery systems for its collaborators’ identified payloads or target tissues.
 - Genevant collaboration-based business model is to seek some or all of upfront payments, R&D reimbursements, and milestones and royalties (or profit share) upon success, while also retaining certain rights in the delivery-related intellectual property developed in the context of the collaboration for potential use or out-license.
 - Some current collaboration partners include BioNTech, Takeda, Sarepta, Gritstone, ST Pharm, 2seventy bio, Korro Bio, Chulalongkorn University (through its Vaccine Research Center) and Providence Therapeutics.
- **Clinical data:**
 - Genevant LNP technology has been in clinical testing in over a dozen distinct product candidates, representing hundreds of subjects of clinical experience.
 - Genevant LNP technology is included in the first RNA-LNP product to receive FDA-approval, Alnylam’s Onpatro (patisiran).
- **Roivant ownership:**
 - As of March 31, 2023, we own 83% of the issued and outstanding common shares of Genevant and 65% on a fully diluted basis.

Nucleic Acid Therapeutics

Nucleic acid therapeutics represent an emerging modality that we believe may overcome challenges associated with traditional small molecule drug development in the treatment of genetically defined disease. The vast majority of human proteins are considered “undruggable” by small molecules based on their protein structure. Nucleic acid therapeutics circumvent the question of whether or not a target is undruggable by impacting protein expression itself.

The field of nucleic acid therapeutics has gained significant momentum in recent years, with FDA approval of Alnylam’s Onpatro and Givlaari (givosiran) and multiple mRNA COVID-19 vaccines. There is a substantial pipeline of nucleic acid therapeutics in clinical development that further underscores the transformative potential of nucleic acid therapeutics in the near term. However, nucleic acid therapeutics remain challenged by obstacles in the delivery of nucleic acids to specific cell types. RNA molecules cannot passively cross most cell membranes given their large size and negative charge, and therefore must be administered in conjunction with a delivery technology to ensure transport to target cell types.

We work with two proprietary technologies, LNP delivery and ligand conjugate delivery, to improve the likelihood of clinical success of nucleic acid therapeutics. We licensed intellectual property with respect to each of these technologies from Arbutus Biopharma in 2018.

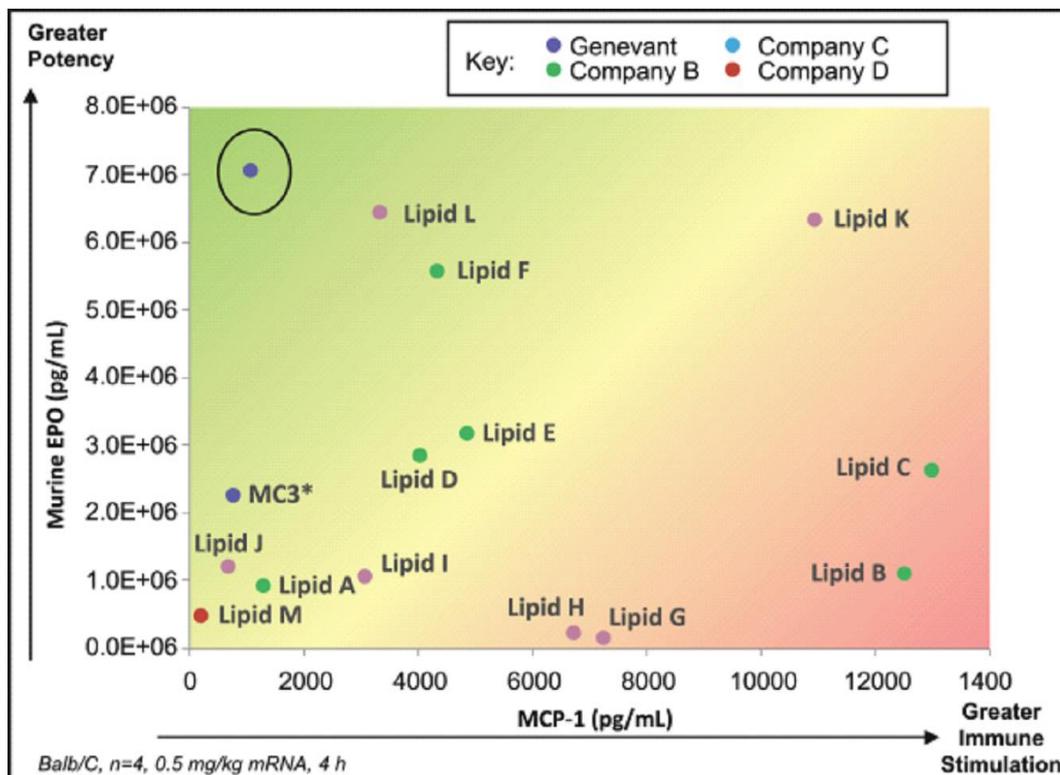
We are focused on expanding our platforms into novel tissue types by leveraging the scientific expertise of several members of the technical team that originally developed or advanced the technologies at Arbutus and its predecessors.

Lipid Nanoparticle Platform

Our LNP technology platform is designed to deliver nucleic acids, including mRNA, siRNA, antisense and gene editing constructs.

In a head-to-head study comparing multiple LNP formulations varying only the key ionizable lipid, Genevant's current lead formulation outperformed third-party formulations. In particular, our formulation showed superior potency and avoidance of immune stimulation relative to others, including when compared with the LNP utilized in the first FDA-approved RNA-LNP therapeutic, Alnylam's Onpattro ("MC3" in figure below).

Genevant LNP Outperformed Third-Party LNPs in Head-to-Head Study



* Key lipid of first FDA-approved siRNA-LNP (Alnylam's Onpattro)

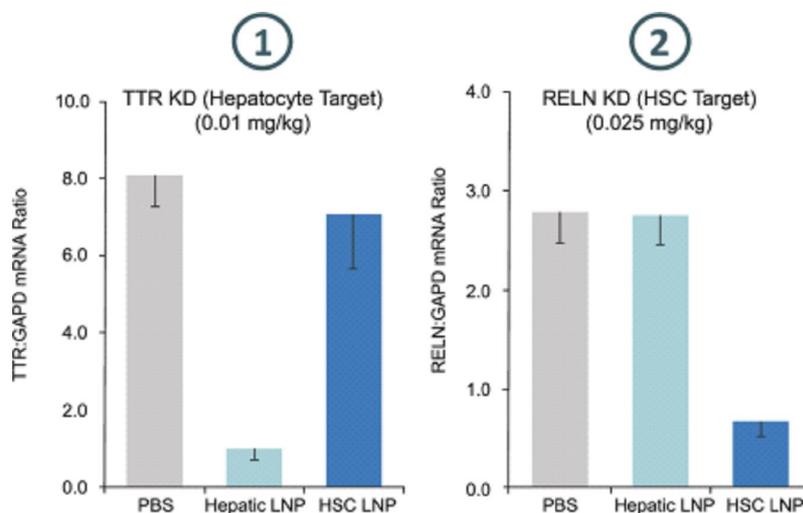
In addition, Genevant LNP technology has entered the clinic with more than a dozen distinct product candidates, representing hundreds of subjects of clinical experience.

With this track record of success, we are now also focusing our LNP capabilities on historically challenging cell and tissue types outside of hepatocytes, including hepatic stellate cells (“HSCs”).

We have demonstrated our ability to deliver nucleic acid therapeutics to challenging targets by accessing HSCs in preclinical studies. The activation of HSCs is well established as a central driver of fibrosis, and thus technologies that target activated HSCs may be key to addressing certain liver diseases.

In preclinical studies, delivery of RNAi to HSCs via Genevant’s LNP technology demonstrated selective knockdown of an HSC target with minimal activity in hepatocytes, as shown below. Additional preclinical studies support our ability to design LNPs to deliver nucleic acids to the lung, and we believe that our scientific expertise will over time lead to the ability to direct LNPs toward additional cell and tissue types, such as the central nervous system, immune cells and the eye.

LNP delivery of siRNA to HSCs demonstrated selective knockdown of target mRNA in mice with minimal activity in hepatocytes



Ligand Conjugate Platform

In addition to our LNP platform, we also have a proprietary RNAi ligand conjugate platform. Novel ligands can successfully deliver siRNA and certain other oligonucleotides to hepatocytes, and our expertise enables the design of novel ligands with the potential to expand delivery capabilities to other cell types such as hepatic stellate cells. Our ligand conjugate technology has demonstrated equal or better preclinical potency, assessed by duration and magnitude of knockdown compared to current industry benchmark. We currently have issued patents in the United States and Israel and multiple patent applications pending with respect to our ligand conjugate platform.

We are developing a next-generation ligand conjugate platform that we refer to as “RNAi 2.0.” Our RNAi 2.0 platform has demonstrated superior strength and duration of knockdown compared to legacy ligand conjugates (“RNAi 1.0”) in a head-to-head preclinical study in nonhuman primates. In addition, our RNAi 2.0 platform:

- Contains intrinsic endosomolytic properties
- Has demonstrated marked *in vivo* enhancement in potency
- Has maintained a subcutaneous dosing regimen and is expected to be dosed subcutaneously in clinical trials
- Remains compatible with other ligand types

Strategy

Genevant seeks to partner with other pharmaceutical or biotechnology companies in the development of RNA therapeutics, crafting mutually beneficial collaborations that allow collaboration partners to access innovative technologies while providing Genevant the opportunity to leverage our expertise to expand the technology and its therapeutic application.

This provides the following benefits to collaborators:

- Access to validated technology to deliver nucleic acid therapeutics for hepatocyte or vaccine applications
 - Potential to deliver RNA payloads to historically challenging-to-reach tissue or cell types, as well as nucleic acid design capabilities
 - No need to build internal delivery expertise or build intellectual property estate from scratch in an increasingly complex field

This provides the following benefits to Genevant:

- Opportunity to expand core delivery technology and capabilities, maintaining leadership position in nucleic acid delivery
- Typically, the ability to exploit certain rights to delivery-related intellectual property developed in the context of collaboration ourselves or with other collaborators
- Opportunity to generate revenue through deal structures including some combination of upfront payments, R&D reimbursements and additional milestones and royalties upon successful outcomes

To date, Genevant has partnered with leading companies with a shared vision of advancing innovative nucleic acid medicines to transform the lives of patients. Our collaborations currently include:

- **Gritstone**—Access to Genevant’s LNP technology for use in Gritstone’s self-amplifying RNA COVID-19 vaccine program
- **Gritstone**—Access to LNP technology for use with self-amplifying RNA for an unspecified indication
- **Sarepta**—Research collaboration and option agreement for the delivery of LNP-gene editing therapeutics for specified neuromuscular diseases; Genevant will design and collaborate with Sarepta in the development of muscle targeted LNPs to be applied to gene editing targets in multiple indications, including Duchenne muscular dystrophy
- **BioNTech**—Co-development in up to five rare diseases with high unmet medical need, and access to LNP technology for use with BioNTech’s mRNA for a specified number of oncology targets
- **Takeda**—Access to LNP technology to develop nucleic acid therapeutics directed to specified targets in HSC to treat liver fibrosis
- **2seventy bio**—Access to LNP technology to develop gene editing therapies for hemophilia A
- **Korro bio**—Access to LNP technology to develop an RNA editing therapy for Alpha-1 Antitrypsin Deficiency
- **ST Pharm**—Access to Genevant’s LNP technology for use in specified territories in ST Pharm’s mRNA COVID-19 vaccine program
- **Providence**—Access to Genevant’s LNP technology for use in Providence’s mRNA COVID-19 vaccine program
- **Chulalongkorn University**—Access to LNP technology for use in specified Asian territories in its mRNA COVID-19 vaccine program

Expansive Patent Portfolio

Our LNP platform is protected with a robust patent portfolio, covering a wide range of aspects required for successful nucleic acid delivery.

Our patents are directed to:

- lipid structures, including cationic and PEG-lipids
- particle compositions, including commonly used ranges of lipid ratios for nucleic acid-containing particles
- nucleic acid-containing particles with certain structural characteristics
- mRNA-containing LNP formulations
- various aspects of our manufacturing process

Priovant Overview

- **Overview:**
 - Priovant is developing brepocitinib, a potent small molecule inhibitor of TYK2 and JAK1, for the treatment of dermatomyositis (“DM”), systemic lupus erythematosus (“SLE”) and other immune-mediated diseases.
 - **Lead program:**
 - Brepocitinib is a potentially first-in-class, orally administered, small molecule inhibitor of TYK2 and JAK1 that suppresses signaling of TYK2- and JAK1-dependent cytokines linked to autoimmunity, including type I and type II interferon, IL-6, IL-12, and IL-23.
 - **Disease overview:**
 - DM is a chronic, immune-mediated disease of the skin and muscles. Patients with DM usually present with a characteristic skin rash and proximal muscle weakness, which may lead to significant functional impairment or disfigurement. Patients with DM are at a substantially increased risk of interstitial lung disease, malignancy, and heart failure, contributing to an estimated 5-year mortality rate of 10-40%.
 - SLE is a chronic, immune-mediated connective tissue disease that can impact nearly all major organ systems. The most common manifestations of SLE are cutaneous and musculoskeletal symptoms, although neurological, gastrointestinal, hematological, and renal symptoms are regularly observed as well. Patients with SLE are at a substantially increased risk of infection and cardiovascular disease, contributing to estimated 10- and 15-year mortality rates of 9% and 15%, respectively.
 - We estimate that there are approximately 37,000 adult DM patients and up to 300,000 adult SLE patients in the US.
 - **Limitations of current treatments:**
 - Corticosteroids, disease-modifying antirheumatic drugs (“DMARDs”), and immunosuppressants, administered alone or in combination, are traditional therapies for patients with DM and SLE. Many of these therapies are associated with significant toxicities and limited efficacy.
 - For patients with DM who do not respond adequately to traditional therapies, IVIg (OCTAGAM 10%) is an important FDA-approved treatment. However, clinical trial data from the Phase 3 ProDERM study of IVIg in patients with DM and case reports from years of prior off-label use confirm that even with IVIg, many patients with DM continue to suffer from residual disease activity. Moreover, IVIg administration is burdensome, typically requiring several hours of infusion therapy for multiple days each month. IVIg also has a black box warning for serious risks, including thrombosis and kidney failure.
 - For patients with SLE who do not respond adequately to traditional therapies, belimumab (BENLYSTA) and anifrolumab (SAPHNELO) are FDA-approved biologic treatments. However, in each of belimumab’s BLISS Phase 3 program and anifrolumab’s TULIP Phase 3 program, the clinical trial data demonstrates that many patients failed to respond to these therapies, and both therapies are administered intravenously or subcutaneously.
 - **Clinical data:**
 - Brepocitinib has been evaluated in five completed placebo-controlled Phase 2 studies in immune-mediated diseases (psoriatic arthritis, plaque psoriasis, ulcerative colitis, alopecia areata, and hidradenitis suppurativa). In all five of these studies, treatment with brepocitinib was associated with statistically significant and clinically meaningful efficacy.
-

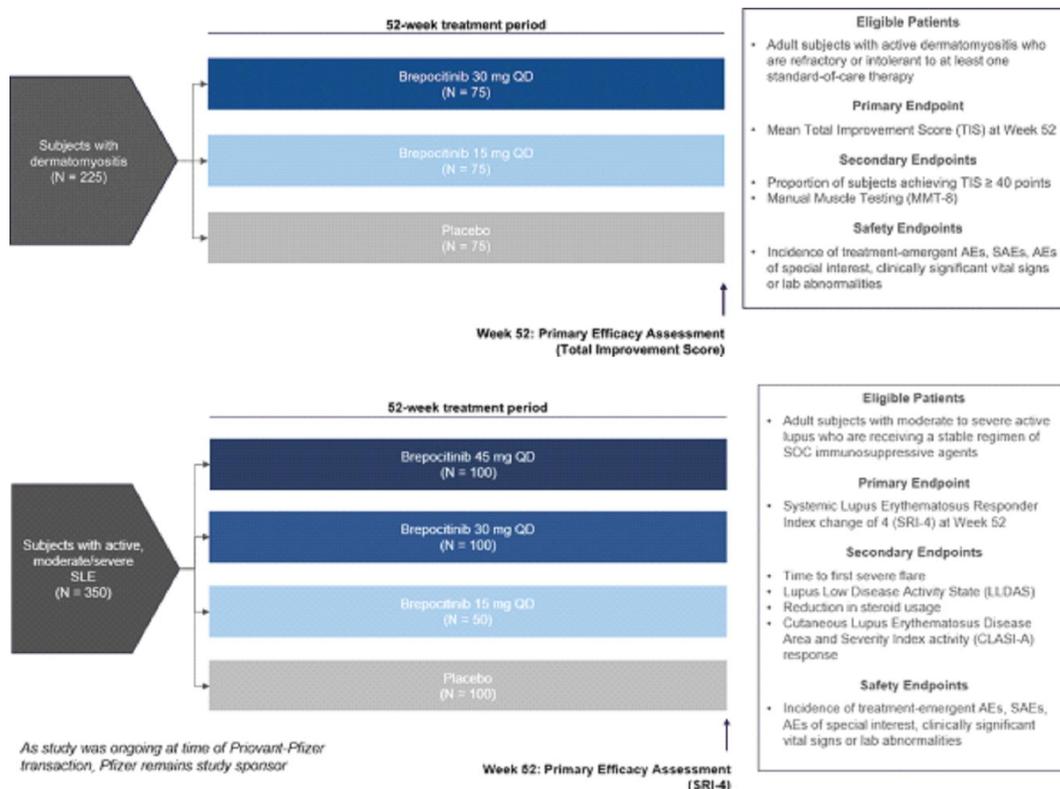
Study Population	N¹	Brepocitinib Dose	Primary Endpoint Result	Statistical Significance
Psoriatic Arthritis	218	30 mg once daily	23.4% placebo-adjusted ACR20 RR at week 16	P = 0.0197
Plaque Psoriasis	212	30 mg once daily	-10.1 placebo-adjusted CFB in PASI score at week 12	P < 0.0001
Ulcerative Colitis	167	30 mg once daily	-2.28 placebo-adjusted CFB in Mayo Score at week 8	P = 0.0005
Alopecia Areata	94 ²	30 mg once daily ³	49.18 placebo-adjusted CFB in SALT Score at week 24	P < 0.0001 ⁴
Hidradenitis Suppurativa	100	45 mg once daily ⁵	18.7% placebo-adjusted HiSCR rate at week 16	P = 0.0298 ⁴

1. Overall study N represents patients randomized to all brepocitinib dose levels or placebo and excludes patients randomized to other agents.
2. Includes patients from initial 24-week study period only.
3. 60 mg once daily for 4 weeks followed by 30 mg once daily for 20 weeks.
4. One-sided p-value (pre-specified statistical analysis).
5. Brepocitinib 45 mg once daily was the only dose evaluated in this study.

ACR20: American College of Rheumatology 20% Improvement; RR: Response Rate; CFB: Change From Baseline; PASI: Psoriasis Area and Severity Index; SALT: Severity of Alopecia Tool; HiSCR: Hidradenitis Suppurativa Clinical Response

- Brepocitinib’s safety database includes over 1,400 exposed participants evaluated in 14 completed Phase 1 and Phase 2 studies and three ongoing Phase 1 and Phase 2 studies. In these studies, brepocitinib was generally safe and well-tolerated, and rates of JAK class treatment-emergent adverse events (“TEAEs”) of interest were comparable to those observed in the development programs of approved JAK inhibitors. Collectively, these data suggest a safety profile that is similar to those of approved JAK inhibitors.
- Brepocitinib has not been evaluated in DM to date. However, several FDA-approved JAK inhibitors have been clinically validated in DM patients refractory to standard-of-care therapies, as reported in more than 100 off-label case reports and in an open-label clinical trial. In addition, since DM pathobiology is driven by dysregulations in cytokines whose signaling is mediated by both TYK2 and JAK1, we believe that, with its unique dual inhibition of both TYK2 and JAK1, brepocitinib, as compared to inhibitors selective to either TYK2 or JAK1 has the potential to demonstrate superior clinical efficacy in DM.
- Brepocitinib has not been evaluated in SLE to date. However, FDA-approved and investigational JAK inhibitors have completed successful proof-of-concept studies in SLE patients. And, like DM, SLE pathobiology is driven by dysregulations in cytokines whose signaling is mediated by both TYK2 and JAK1. We believe that, with its unique dual inhibition of both TYK2 and JAK1, brepocitinib, as compared to inhibitors selective to either TYK2 or JAK1, has the potential to demonstrate superior clinical efficacy in SLE.
- **Development plan and upcoming milestones:**
 - Priovant is currently conducting a large randomized, controlled Phase 3 study of brepocitinib in patients with refractory dermatomyositis. This study will enroll approximately 225 subjects in total and will evaluate 15 mg and 30 mg of brepocitinib once-daily compared to placebo. The primary endpoint of this study is the mean Total Improvement Score (“TIS”), a validated myositis improvement index, at Week 52.
 - Brepocitinib is currently being evaluated in a large, randomized controlled Phase 2B study in patients with moderate to severe active SLE. This study is fully enrolled with 350 subjects in total and will evaluate 15 mg, 30 mg, and 45 mg of brepocitinib once-daily compared to placebo. The primary endpoint of this study is the Systemic Lupus Erythematosus Responder Index (“SRI-4”), a validated SLE improvement index, at Week 52. Priovant anticipates receiving topline results from this study in the second half of 2023.
 - Priovant is also evaluating brepocitinib for development in other orphan and specialty immune-mediated diseases.

The below schematics show the trial designs for the ongoing DM Phase 3 and SLE Phase 2B trials:



Roivant ownership:

- As of March 31, 2023, we own 75% of the issued and outstanding shares of Priovant and 69% on a fully diluted basis.

Hemavant Overview

- **Overview:**

- Hemavant is developing RVT-2001, a small molecule SF3B1 modulator, for the treatment of transfusion-dependent anemia in patients with lower-risk myelodysplastic syndromes (“MDS”).

- **Lead program:**

- RVT-2001 is a potentially first-in-class, orally administered, small molecule SF3B1 modulator that corrects SF3B1 mutation-induced splicing defects in mRNA transcripts that encode proteins thought to be associated with the development of MDS.

- **Disease overview:**

- Myelodysplastic syndromes are a group of hematologic malignancies in which immature blood cells in the bone marrow do not mature and become healthy blood cells. MDS patients are at risk for symptoms related to anemia, infection and bleeding, and they have variable survival expectations and rates of progression to acute myeloid leukemia (“AML”). Assessment of prognosis is a key aspect in selecting therapy for the patient with MDS, and prognostic models broadly differentiate patients into either lower-risk MDS or higher-risk MDS.
- We believe that there are approximately 115,000 MDS patients in the US, with approximately 17,000 new MDS cases per year, two thirds of which are lower-risk MDS.

- **Limitations of current treatments:**

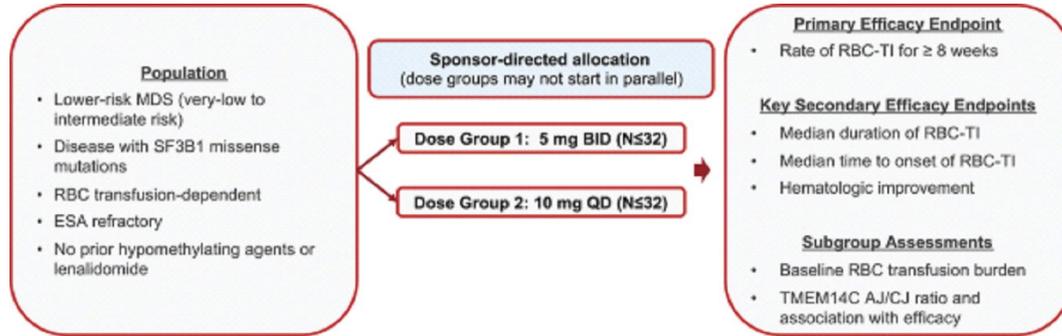
- Chronic anemia in patients with MDS requires regular and repeated red blood cell (“RBC”) transfusions, creating a significant burden for patients and an increased risk of organ toxicity from iron overload.
- One of the primary goals of treatment is to reduce or eliminate RBC transfusion dependence while minimizing treatment-related toxicity. The first line of treatment for most lower-risk MDS patients consists of erythropoiesis-stimulating agents (“ESAs”), which are ineffective in over 50% of patients.
- For patients who fail ESAs, the available treatment options depend on mutational status and disease phenotypes. In 2020, Reblozyl (luspatercept) became the only FDA-approved therapy for lower-risk MDS patients who are ring sideroblast positive and who have failed an ESA. Although Reblozyl can lead to transfusion independence, it is ineffective in over 50% of second line patients and is most effective in patients with a low transfusion burden. Reblozyl is delivered as an injection and is associated with numerous adverse events, including fatigue, a significant concern for patients already experiencing fatigue from anemia.

- **Clinical data:**

- In the dose-escalation portion of an ongoing Phase 1/2 study, over 30% (6/19) of patients with lower-risk, transfusion-dependent MDS treated with RVT-2001 became RBC-transfusion independent (“RBC-TI”), with a median duration of treatment of approximately two years for responders. The dose-escalation portion of the study was conducted in a highly refractory patient population, which we believe may have decreased the observed treatment response relative to what would be expected in a less refractory target population.
- In the dose-escalation portion of this ongoing Phase 1/2 study, which had a total of 84 patients with AML, chronic myelomonocytic leukemia or MDS, RVT-2001 was observed to be generally well-tolerated, with the majority of events being classified as Grade 1.

• **Development plan and upcoming milestones:**

- We are currently conducting the dose-optimization portion of the ongoing open-label Phase 1/2 trial. The dose-optimization cohort includes only lower-risk MDS patients. We are also excluding patients with prior exposure to lenalidomide or hypomethylating agents, thereby enrolling a less refractory patient population in the dose-optimization cohort than the population from which the first 19 lower-risk, transfusion-dependent MDS patients were drawn during the dose-escalation portion. We are targeting a genetically defined subpopulation by enrolling only lower-risk MDS patients with SF3B1 mutations. In addition, we are evaluating baseline expression of TMEM14C transcripts as a potential biomarker predictive of response to RVT-2001, since among the 7 MDS patients with the highest levels of aberrant TMEM14C transcripts in the dose-escalation portion of this Phase 1/2 trial, 71% (5/7) became RBC-TI. We also aim to strengthen the pharmacodynamic effect by optimizing the dose and schedule of RVT-2001. We expect data from the dose-optimization cohort of the Phase 1/2 trial in the second half of calendar year 2023.
- We plan to position RVT-2001 initially as second line therapy in SF3B1-mutated patients, with the potential to expand to other spliceosome mutations and ultimately first line treatment.
- The below schematic shows the trial design for the dose-optimization cohort of our ongoing Phase 1/2 study:



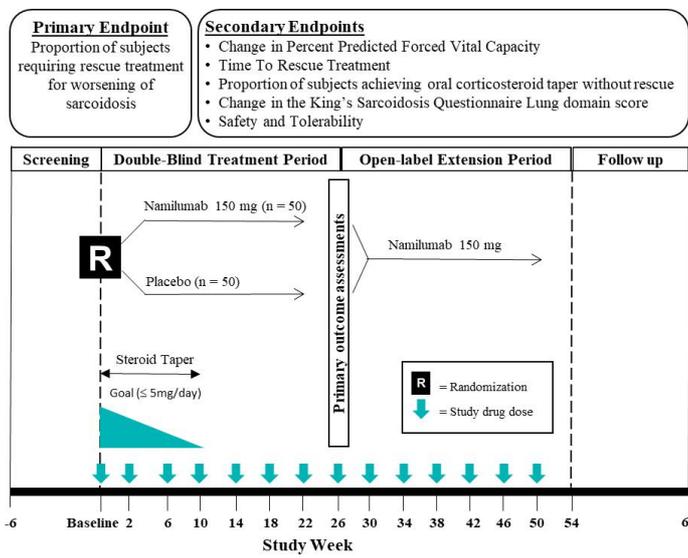
• **Roivant ownership:**

- As of March 31, 2023, we own 100% of the issued and outstanding common shares of Hemavant and 99% on a fully diluted basis.

Kinevant Overview

- **Overview:**
 - o Kinevant is focused on developing namilumab for sarcoidosis and potentially other diseases.
- **Lead program:**
 - o Namilumab is a fully human anti-GM-CSF monoclonal antibody with broad potential in inflammatory and autoimmune diseases being developed with potentially the least frequent dosing schedule among subcutaneous anti-GM-CSFs in Phase 2 clinical trial, with a single dose every four weeks after an initial loading period.
- **Disease overview:**
 - o Sarcoidosis is a multi-system inflammatory disease characterized by the presence of non-necrotizing granulomas believed to be formed by an exaggerated immune response to unidentified antigens. Sarcoidosis primarily affects the lungs and lymphatic system, though sarcoidosis may damage any organ. GM-CSF, a key pathogenic cytokine, has been implicated in multiple parts of the granulomatous response.
 - o Sarcoidosis affects approximately 200,000 people in the United States, with over 90% of cases presenting with pulmonary involvement.
 - o An estimated 54% of pulmonary sarcoidosis patients are diagnosed, and approximately 90% of these patients receive some form of treatment. Market research with HCPs and third-party analysis of claims data suggest that approximately 25% of diagnosed and treated pulmonary sarcoidosis would be eligible for treatment with second-line or later therapy.
- **Limitations of current treatments:**
 - o Corticosteroids are the most widely used treatment for sarcoidosis, but they carry significant side effects when used longer-term. Second- and third-line treatment options, including immunosuppressive therapies and biologics, are limited by slow onset, safety risk, inconsistent effectiveness, and reimbursement challenges, leaving significant unmet medical need that could be met by a novel biologic.
- **Clinical data:**
 - o Early clinical data in pharmacokinetic/pharmacodynamic (PK/PD) and subsequent Phase 2 studies showed namilumab to be well-tolerated with a single subcutaneous injection given up to every four weeks.
 - o In a Phase 1 study of healthy volunteers with a single subcutaneous injection, namilumab was observed to be generally well-tolerated.
 - o In a Phase 2 trial in patients with moderate to severe rheumatoid arthritis conducted by Takeda, namilumab demonstrated decreased disease activity compared to placebo. In this trial, patients were given a subcutaneous injection of either 20, 80, or 150 mg of namilumab four times over a ten-week period. Over the 12-week study period, 14 of 27 (52%) subjects receiving placebo and 45 of 81 (56%) receiving namilumab experienced a treatment-emergent adverse event (TEAE). The most common TEAEs were nasopharyngitis, dyspnea, bronchitis, and headache.
- **Development plan and upcoming milestones:**
 - o We have initiated a Phase 2 trial to evaluate the safety and efficacy of namilumab in pulmonary sarcoidosis, with data expected in the first half of 2024.

The below schematic shows the trial design for the Phase 2 trial in pulmonary sarcoidosis:



• **Roivant ownership:**

- o As of March 31, 2023, we own 96% of the issued and outstanding common shares of Kinevant, and 90% on a fully diluted basis.

Proteovant Overview

- **Overview:**
 - Proteovant is focused on the discovery and development of a robust pipeline of protein degraders targeting indications in oncology and immunology.
- **Protein degradation:**
 - Protein degraders are a novel class of small molecules that target and destroy cellular proteins, rather than inhibiting them. Degraders are engineered to induce the degradation of specific disease-causing proteins through the ubiquitin-proteasome system, which ordinarily tags and degrades proteins that have been misfolded or have already fulfilled their biological function.
 - We believe degraders represent a promising new approach to drug previously “undruggable” targets and transform the treatment of diseases with significant unmet medical need.
- **Proteovant’s degrader strategy:**
 - Proteovant is positioned for leadership in the field of targeted protein degradation given its long-term sponsored research agreement (“SRA”) with a leading academic lab, its internal R&D capabilities, as well as degrader-specific machine learning capabilities.
 - Proteovant has assembled a world-class team of scientists and drug developers with deep drug hunting capabilities in the field of small molecule degrader development to support its internal degrader discovery and development efforts. The core skill sets of the Proteovant team span all aspects of drug discovery and development, including medicinal chemistry, biology and structural biology, which is also supported by access to next generation wet labs.
- **Pipeline:**
 - Proteovant has a broad pipeline of programs across oncology and immunology indications, and its protein degrader structures include hererobifunctionals and molecular glues. The protein degraders in Proteovant’s pipeline range from early target validation through later stages of preclinical development. Select targets include ER, IKZF2, STAT3, CBP/p300, and SMARCA2/4.
- **Roivant ownership:**
 - As of March 31, 2023, we own 60% of the issued and outstanding common shares of Proteovant and 54% on a fully diluted basis.

Beyond therapeutics, Roivant also incubates discovery-stage companies and health technology startups complementary to its biopharmaceutical businesses:

- Lokavant is a clinical trial intelligence platform that optimizes time, cost and quality of trial planning and execution through predictive analytics
- Covant is developing covalent small molecules for historically intractable targets
- Psivant uses its proprietary QUASAR platform, integrating advanced computation and wet lab techniques, to accelerate the design of novel small molecule therapeutics for complex targets in oncology and immunology
- VantAI is building a geometric deep learning platform for induced proximity drug discovery

We also incubated and launched Datavant, the leading health data connectivity company in America, which completed a merger with Ciox Health in June 2021.

Asset Acquisition and License Agreements; Other Vant Agreements

Dermavant

GSK and Welichem Agreements; Thermo Fisher Agreement

In July 2018, our subsidiary Dermavant Sciences GmbH (“DSG”) acquired the worldwide rights (other than for China) with respect to certain intellectual property rights retained by Welichem Biotech Inc. (“Welichem”) to VTAMA and related compounds from Glaxo Group Limited and GlaxoSmithKline Intellectual Property Development Ltd. (collectively, “GSK”) pursuant to an asset purchase agreement (the “GSK Agreement”). GSK previously acquired rights to a predecessor formulation of VTAMA from Welichem pursuant to an asset purchase agreement between GSK and Welichem entered into in May 2012 (the “Welichem Agreement”). Under the GSK Agreement, DSG made an upfront payment of £150.0 million (approximately \$191 million) to GSK. The GSK Agreement does not require DSG to pay any royalties on sales of VTAMA following commercialization or make any commercial milestone payments, except for milestones owed to Welichem as described below.

Following the FDA approval of VTAMA in May 2022, DSG became obligated to pay a regulatory milestone to GSK of £100.0 million (approximately \$126.0 million on the date of achievement) following the receipt of marketing approval of VTAMA in the United States. The milestone was paid in July 2022. Additionally, the first sale of VTAMA in May 2022 resulted in the achievement of a milestone to Welichem of CAD\$25.0 million (approximately \$20.0 million on the date of achievement). The milestone was paid in August 2022.

In addition, under the GSK Agreement, DSG assumed all obligations under the Welichem Agreement, including initially up to CAD\$180.0 million in potential development and commercial milestone payments, of which CAD\$105.0 million have been achieved and paid as of March 31, 2023.

In August 2018, in connection with the GSK Agreement, DSG and GlaxoSmithKline Trading Services Limited (“GSK Trading”) entered into a clinical manufacturing and supply agreement (the “Clinical Supply Agreement”) for VTAMA pursuant to which DSG obtained an existing supply of VTAMA drug product and drug substance as well as additional supply of VTAMA drug product for clinical trials on a cost plus basis. As required under the GSK Agreement, in April 2019, DSG entered into a commercial manufacturing and supply agreement (the “Commercial Supply Agreement”) with GSK Trading to continue to provide certain quantities of VTAMA drug product and drug substance at agreed upon minimum quantities and price. The Commercial Supply Agreement commenced in April 2022 upon completion of certain quality and regulatory conditions. In July 2022, DSG and GSK entered into a Partial Termination and Supplementary Fee Agreement relating to the Clinical Supply Agreement and Commercial Supply Agreement, which amended the terms of the Clinical Supply Agreement and the Commercial Supply Agreement (the “GSK Amendment”). The GSK Amendment released GSK Trading from certain commitments to supply VTAMA and released DSG from certain commitments to purchase VTAMA in exchange for a supplementary fee. Other supply and purchase commitments under the Clinical Supply Agreement and the Commercial Supply Agreement remain in effect and were not impacted by the GSK Amendment.

In addition, in July 2022, DSG and Thermo Fisher Scientific (“TFS”) entered into a Master Commercial Manufacturing and Supply Agreement, under which TFS will provide a supply of VTAMA to DSG at an agreed upon price.

Collaboration and License Agreement with Japan Tobacco Inc.

In January 2020, DSG entered into a collaboration and license agreement with Japan Tobacco Inc. (“Japan Tobacco”) (the “Japan Tobacco Agreement”). Pursuant to the Japan Tobacco Agreement, DSG granted Japan Tobacco exclusive rights to develop, register and market tapinarof in Japan for the treatment of dermatological diseases and conditions, including psoriasis and atopic dermatitis. In connection with the Japan Tobacco Agreement, Japan Tobacco has signed an exclusive license with its subsidiary, Torii, for co-development and commercialization of tapinarof in Japan.

Under the Japan Tobacco Agreement, DSG has received (i) an upfront payment of \$60.0 million in January 2020 and (ii) a payment of \$10.0 million in December 2021 related to development milestones that were achieved, and DSG may receive up to an additional \$43.0 million upon the achievement of certain development milestones for tapinarof in psoriasis and atopic dermatitis. In addition, DSG will be entitled to tiered purchase prices specified in the Japan Tobacco Agreement in consideration of DSG’s commercial supply of tapinarof to Japan Tobacco under the terms of a separate commercial supply agreement to be negotiated by the parties. DSG also has the right to receive royalties, to be negotiated by the parties and consistent with the purchase prices, based on product sales of tapinarof in the indications to the extent that DSG is no longer responsible for supplying tapinarof to Japan Tobacco.

The Japan Tobacco Agreement will remain in effect until expiration of the obligation to pay royalties, unless terminated in accordance with the following: (1) for any reason by Japan Tobacco upon written notice to DSG, which notice must be provided (x) at least 90 days in advance, if the termination is prior to regulatory approval of tapinarof in Japan for any dermatological disease or condition, and (y) at least 180 days in advance, if the termination is subsequent to regulatory approval of tapinarof in Japan for any dermatological disease or condition; (2) by either party upon written notice for the other party's material breach if such party fails to cure such breach within the specified cure period; or (3) by DSG if Japan Tobacco or its affiliates or sublicensees participate in a challenge to certain of our patents.

Dermavant Financing Agreements—Dermavant Revenue Interest Purchase and Sale Agreement

In May 2021, DSG, as seller, entered into a Revenue Interest Purchase and Sale Agreement (the "RIPSA") with XYQ Luxco, NovaQuest Co-Investment Fund XVII, L.P., an affiliate of NovaQuest Capital Management, LLC, and MAM Tapir Lender, LLC, an affiliate of Marathon Asset Management, L.P. (collectively, the "Purchasers"), together with U.S. Bank National Association, as collateral agent.

In June 2022, following satisfaction of the funding conditions set forth in the RIPSA, including receipt of marketing approval from the FDA for VTAMA (received in May 2022), the Purchasers paid DSG a total of \$160.0 million in accordance with the terms and conditions set forth in the RIPSA (the "Purchase Price"). In consideration therefor, each of the Purchasers has the right to receive a low single-digit to high single-digit tiered percentage of quarterly revenues based on the achievement of specified net sales thresholds for VTAMA in the U.S., up to a cap of \$344.0 million. Payments of such quarterly revenues to the Purchasers under the RIPSA are secured by a security interest in certain VTAMA-related assets, including intellectual property rights and certain other assets that are owned by, licensed to or otherwise controlled by DSG related to the development and commercialization of VTAMA.

The RIPSA contains certain representations and warranties and covenants applicable to DSL and its subsidiaries. The RIPSA also contains certain Events of Default (as defined in the RIPSA) such as the breach of payment and other obligations, bankruptcy-related events and cross-defaults with respect to other related documents and agreements creating indebtedness. The occurrence of an Event of Default following the Purchasers' funding of the Purchase Price triggers DSG's obligation to pay an Event of Default Fee (as defined in the RIPSA) of \$160.0 million, less revenue payments previously paid, as liquidated damages.

Dermavant Financing Agreements—Dermavant Credit Agreement with XYQ Luxco

In May 2021, our subsidiaries Dermavant Sciences Ltd. ("DSL"), Dermavant Holdings Limited, Dermavant Sciences IRL Limited and DSG, as borrowers (the "Borrowers"), and certain other subsidiaries of DSL, as initial guarantors, entered into a credit agreement (the "Credit Agreement") with XYQ Luxco, as lender, and U.S. Bank National Association, as collateral agent. The Credit Agreement provides for a term loan of \$40.0 million (the "Term Loan"), the proceeds of which were used by the Borrowers to repay in full and terminate an existing credit facility with Hercules Capital Inc., with the remaining proceeds to be used for working capital and other general corporate purposes.

The Term Loan bears interest at a fixed interest rate of 10.0% per annum, with interest paid quarterly in arrears until maturity in May 2026, at which time the principal amount is due. The Borrowers have the option to prepay the Term Loan in whole or in part, subject to (i) until May 2024, a prepayment premium of 5.0% of the principal amount being repaid, and (ii) from May 2024 to May 2025, a prepayment premium of 2.5% of the principal amount being repaid. From May 2025 through maturity, the Term Loan may be prepaid in whole or in part without a prepayment premium. Optional and mandatory prepayment of the Term Loan, as well as other forms of prepayment, repayment, applications or reductions, will also require that DSL pays an Exit Fee (as defined in the Credit Agreement), calculated based on the amount so prepaid, repaid, applied or reduced.

The Borrowers' obligations under the Credit Agreement are unconditionally guaranteed by the initial guarantors and secured by first priority security interests in substantially all of the tangible and intangible assets of the Borrowers and guarantors, including certain intellectual property rights, bank accounts, any and all insurance receivables, intercompany receivables and/or trade receivables and certain quotas and/or participation rights.

The Credit Agreement contains certain representations and warranties, affirmative covenants, negative covenants and conditions that are customarily required for similar financings, including a covenant against the occurrence of a "change in control" (subject to the Borrowers' right to prepay the Term Loan), financial reporting obligations and certain limitations on indebtedness, liens (including on intellectual property and other assets), investments, distributions (including dividends), collateral, transfers, mergers or acquisitions, taxes, corporate changes and deposit accounts.

The Credit Agreement contains a minimum cash covenant that requires the initial Borrowers and the guarantors thereunder to maintain a minimum cash balance of \$10.0 million until the earlier of (a) a Qualified IPO (as defined in the Credit Agreement), (b) an Ultimate Parent Spinout (as defined in the Credit Agreement), and (c) the date that XYQ Luxco, in its capacity as a purchaser under the RIPSA, has received cumulative payments from DSG under the RIPSA in an aggregate amount equal to its pro rata portion of the funding amount thereunder. The Credit Agreement also contains customary events of default (subject, in certain instances, to specified grace periods) including, but not limited to, the failure to make payments of interest, premium, fees, indemnity or principal under the Term Loan, the failure to comply with certain covenants and agreements specified in the Credit Agreement, defaults in respect of certain other indebtedness and certain events relating to bankruptcy or insolvency. If any event of default occurs, the principal, premium, if any, interest and any other monetary obligations on all the then outstanding amounts under the Term Loan may become due and payable immediately. Upon the occurrence of an event of default, a default interest rate of an additional 2% per year may be applied to the outstanding principal balance, and the lender may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Credit Agreement. Upon the occurrence of certain bankruptcy and insolvency events, the obligations under the Credit Agreement would automatically become due and payable.

On the closing date of the Term Loan and in accordance with the Credit Agreement, DSL issued to XYQ Luxco a warrant to purchase an aggregate of 1,199,072 common shares of DSL. The warrant is exercisable at any time until the earlier of (x) seven years from the date of issuance and (y) three years from the closing of an underwritten initial public offering of DSL's common shares pursuant to an effective registration statement. The warrant includes customary registration rights and customary anti-dilution provisions for the common shares underlying the warrant in respect of certain corporate events (including share splits, share combinations, share dividends and other recapitalization transactions).

Immunovant

License Agreement with HanAll Biopharma Co., Ltd.

In December 2017, our wholly owned subsidiary, Roivant Sciences GmbH ("RSG"), entered into a license agreement with HanAll Biopharma Co., Ltd. ("HanAll") (the "HanAll Agreement"). Under the HanAll Agreement, RSG received (i) the non-exclusive right to manufacture and (ii) the exclusive, royalty-bearing right to develop, import and use the antibody referred to as batoclimab and certain back-up and next-generation antibodies (including IMVT-1402), and products containing such antibodies, and to commercialize such products, in the United States, Canada, Mexico, the E.U., the U.K., Switzerland, the Middle East, North Africa and Latin America (the "HanAll Licensed Territory"), for all human and animal uses. RSG also received the right to grant a sublicense, with prior written notice to HanAll of such sublicense, to: (i) a third-party in any country in the HanAll Licensed Territory outside of the United States and E.U.; (ii) an affiliate of RSG in any country in the HanAll Licensed Territory; and (iii) a third-party in the United States and E.U. only after submission of a biologics license application in the United States or a Marketing Authorization Application in the E.U. Pursuant to the HanAll Agreement, RSG granted to HanAll an exclusive, royalty-free license under certain RSG patents, know-how and other intellectual property relating to such antibodies and products to develop, manufacture and commercialize such antibodies and products for use outside of the HanAll Licensed Territory. HanAll also reserves the right to conduct discovery or research activities with the batoclimab antibody, and certain back-up and next-generation antibodies, with or through a contract research organization or service provider in the HanAll Licensed Territory.

In December 2018, Immunovant Sciences GmbH, ("ISG") obtained and assumed all rights, title, interest and obligations under the HanAll Agreement from RSG, including all rights to batoclimab and IMVT-1402 in the HanAll Licensed Territory, for an aggregate purchase price of \$37.8 million. HanAll and RSG have agreed that neither they nor certain of their affiliates will clinically develop or commercialize certain competitive products in the HanAll Licensed Territory.

Under the HanAll Agreement, the parties may choose to collaborate on a research program directed to the research and development of next generation FcRn inhibitors in accordance with an agreed plan and budget. ISG is obligated to reimburse HanAll for half of such research and development expenses incurred by HanAll, up to an aggregate reimbursement amount of \$20.0 million. Intellectual property created by HanAll pursuant to this research program will be included in ISG's license; intellectual property created by ISG pursuant to this research program will be included in HanAll's license. As of March 31, 2023, ISG did not have any additional amounts payable to HanAll for research and development costs incurred and reported pursuant to the HanAll Agreement. As of March 31, 2022, \$0.4 million was payable to HanAll for research and development costs incurred and reported pursuant to the HanAll Agreement.

In the third fiscal quarter of 2023, ISG achieved its second development and regulatory milestone under the HanAll Agreement of \$10.0 million, which was paid in the fourth fiscal quarter of 2023 and recorded as acquired in-process research and development expenses for the year ended March 31, 2023. ISG will be responsible for future contingent payments and royalties, including up to an aggregate of \$432.5 million (after an aggregate amount of \$20.0 million of milestone achievements as of March 31, 2023) upon the achievement of certain development, regulatory and sales milestone events. ISG is also obligated to pay HanAll tiered royalties ranging from the mid-single digits to mid-teens percentage of net sales of licensed products, subject to standard offsets and reductions as set forth in the HanAll Agreement. These royalty obligations apply on a product-by-product and country-by-country basis and end upon the latest of: (A) the date on which the last valid claim of the licensed patents expire, (B) the date on which the data or market exclusivity expires or (C) 11 years after the first commercial sale of the licensed product, in each case, with respect to a given product in a given country.

Except for cost-sharing in connection with the research program, ISG is solely responsible, at its expense, for all other activities related to the research, development and commercialization of licensed products for the HanAll Licensed Territory. ISG may use a third party for manufacturing activities necessary for the research, development and commercialization of licensed products for the HanAll Licensed Territory. In addition, under the HanAll Agreement, ISG has agreed to use commercially reasonable efforts to develop and commercialize licensed products in the HanAll Licensed Territory. Each party has agreed that neither it nor certain of its affiliates will clinically develop or commercialize certain competitive products in the Licensed Territory.

Under the HanAll Agreement, ISG has the sole right, but not the obligation, to control the prosecution, defense and enforcement of the licensed patents in the HanAll Licensed Territory, and HanAll has backup rights to prosecution, defense and enforcement with respect to any licensed patents for which ISG elects not to exercise such rights.

The HanAll Agreement will expire on a product-by-product basis on the expiration of the last royalty term with respect to a given licensed product, unless earlier terminated. ISG may terminate the HanAll Agreement in its entirety without cause upon 180 days' written notice following 30 days of discussion. Either party may terminate the HanAll Agreement upon 60 days' written notice for uncured material breach (or 30 days in the case of non-payment), or immediately upon written notice if the other party files a voluntary petition, is subject to a substantiated involuntary petition or for certain other solvency events. HanAll may terminate the HanAll Agreement if ISG or its affiliates challenge the validity or enforceability of any of the licensed patents.

Telavant

License and Collaboration Agreement with Pfizer, Inc.

In November 2022, our subsidiary Telavant, Inc. ("Telavant") entered into a license and collaboration agreement with Pfizer, Inc. ("Pfizer") (the "Pfizer-Telavant License Agreement"). Pursuant to the Pfizer-Telavant License Agreement, Pfizer granted Telavant (i) an exclusive, worldwide, sublicensable, royalty-bearing license under certain patents, (ii) a non-exclusive, worldwide, sublicensable, royalty-bearing license under certain know-how, in each case, to develop, manufacture and commercialize the TL1A targeting antibody known as RVT-3101 and products incorporating such antibody for all human uses, and (iii) an exclusive option to collaborate with Pfizer on the p40/TL1A directed bispecific antibody PF-07261271. Telavant also granted back to Pfizer (i) an exclusive, sublicensable, royalty-bearing license under certain patents and (ii) a non-exclusive, sublicensable, royalty-bearing license under certain know-how, in each case, to commercialize RVT-3101 and products incorporating such antibody outside of the U.S. and Japan, in each case for all human uses.

Telavant is obligated to pay a mid-single-digit royalty on aggregate net sales of its licensed products in Telavant's territory. Telavant's royalty obligations apply on a product-by-product and country-by-country basis and end upon the latest of (a) 12 years following the first commercial sale of the applicable products in the applicable country, (b) the date on which the regulatory exclusivity provided by the applicable government authority for the applicable products in that country expires, and (c) the date upon which the use, sale, offer for sale, or importation of such product in such country would no longer be covered by a valid claim of a licensed product right. Either party may terminate for the other party's uncured breach and Telavant has the right to terminate for convenience.

Priovant

License and Collaboration Agreement with Pfizer, Inc.

In September 2021, our subsidiary Priovant Therapeutics, Inc. ("Priovant") entered into a license and collaboration agreement with Pfizer (the "Pfizer-Priovant License Agreement"). Pursuant to the Pfizer-Priovant License Agreement, Pfizer granted Priovant (i) an exclusive, worldwide, sublicensable, royalty-bearing license under certain patents and (ii) a non-exclusive, worldwide, sublicensable, royalty-bearing license under certain know-how, in each case, to develop, manufacture and commercialize brepocitinib and TYK2 compounds and products incorporating such compounds for all human and animal uses. In exchange for Pfizer's inventory of these compounds, Priovant paid Pfizer \$10.0 million. Priovant also granted back to Pfizer (i) an exclusive, sublicensable, royalty-bearing license under certain patents and (ii) a non-exclusive, sublicensable, royalty-bearing license under certain know-how, in each case, to commercialize (x) brepocitinib and products incorporating such compound outside of the U.S. and Japan, and (y) TYK2 compounds and products incorporating such compound outside of the U.S., in each case for all human and animal uses.

Priovant is obligated to pay Pfizer a mid tens-of-millions sales milestone payment if aggregate net sales of its licensed products in Priovant's territory in a given year exceed a mid hundreds-of-millions amount. Pfizer is obligated to pay Priovant a low tens-of-millions milestone payment if aggregate net sales of its licensed products outside of Priovant's territory in a given year exceed a mid hundreds-of-millions amount.

Priovant is obligated to pay Pfizer a tiered, sub-teens royalty on aggregate net sales of its licensed products in Priovant's territory. Pfizer is obligated to pay Priovant a tiered high single-digit to sub-teens royalty on aggregate net sales of its licensed products outside of Priovant's territory. Each of Priovant's and Pfizer's royalty obligations apply on a product-by-product and country-by-country basis and end upon the expiration of a customary royalty term, which is the latest of (a) a certain amount of years following the first commercial sale of the applicable products in the applicable country, (b) the date on which the regulatory exclusivity provided by the applicable government authority for the applicable products in that country expires and (c) the date upon which the use, sale, offer for sale or importation of such product in such country would no longer be covered by a valid claim of a licensed product right. Either party may terminate for the other party's uncured breach and Priovant has the right to terminate for convenience.

Proteovant

Michigan Research Agreement

In January 2018, our subsidiary Oncopia entered into a research agreement with the Regents of the University of Michigan (the "University of Michigan") (the "Michigan Research Agreement"). Pursuant to the Michigan Research Agreement, Oncopia and the University of Michigan are collaborating to discover and optimize small molecule protein degraders. Any intellectual property developed under the Michigan Research Agreement that is directed to certain targets will be licensed by the University of Michigan to Oncopia pursuant to the Michigan License Agreement, as described below. Pursuant to the Michigan Research Agreement, Oncopia is obligated to provide a low eight-digit amount in funding between 2021 and 2023. Unless earlier terminated based on customary termination rights or extended by mutual agreement, the Research Agreement continues until December 2023.

Michigan License Agreement

In November 2020, Oncopia entered into an amended and restated patent license agreement with the University of Michigan (the "Michigan License Agreement"), pursuant to which the University of Michigan granted Oncopia an exclusive, worldwide, sublicensable license under certain patents related to certain existing small molecule protein degraders and certain future small molecule protein degraders that may be developed under the Michigan Research Agreement to make, use and commercialize certain products covered by such patents. Such license grant is subject to, among other things, certain rights required to be granted under prior research or sponsorship agreements.

Under the Michigan License Agreement, Oncopia is obligated to pay the University of Michigan a low-to-mid single-digit royalty on net sales of each licensed product. Oncopia's royalty obligations apply on a product-by-product, country-by-country basis and end upon the expiration of the last-to-expire valid claim of the licensed patents under the University of Michigan Agreement which covers such licensed product in such country. The patents and pending patent applications, if granted, currently licensed under the Michigan License Agreement are expected to expire as early as 2037, and as late as 2042, without giving effect to any potential patent term extensions or patent term adjustments. Oncopia is obligated to pay the University of Michigan minimum annual royalties in the low five-digit range from March 2021 until the first commercial sale of a licensed product, at which time such minimum annual royalties will increase to a low six-digit amount. Oncopia may also be obligated to pay up to a maximum of a high seven-digit amount in development and commercial milestone payments on a per product basis. Unless earlier terminated based on customary termination rights, the term of the Michigan License Agreement will continue until the expiration of the last-to-expire valid claim of the licensed patents.

Genevant

Cross-License Agreement with Arbutus Biopharma Corporation

In April 2018, our subsidiary, Genevant Sciences Ltd. (together with its subsidiaries, "Genevant"), entered into a cross-license agreement with our affiliate, Arbutus Biopharma Corporation ("Arbutus"), which the parties amended twice in June 2018 (as amended, the "Arbutus Cross-License Agreement"). Pursuant to the Arbutus Cross-License Agreement Arbutus granted Genevant an exclusive, sublicensable, worldwide, transferable, irrevocable and perpetual license under certain patents and know-how relating to Arbutus's lipid nanoparticle and GaINAC technology for RNA-based applications other than hepatitis B virus ("HBV"), and certain other excluded fields. The license is subject to certain rights which have previously been licensed by Arbutus to other third parties. Under the Arbutus Cross-License Agreement, Genevant granted back to Arbutus an exclusive, sublicensable, worldwide, irrevocable, perpetual, royalty-free license under the intellectual property licensed under the Arbutus Cross-License Agreement and certain intellectual property acquired by Genevant after the effective date of the Arbutus Cross-License Agreement for applications involving the treatment and prevention of HBV.

Genevant is obligated to pay Arbutus tiered low single-digit percentage royalties on sales of products covered by the licensed patents. If Genevant sublicenses intellectual property licensed from Arbutus or collaborates with any third-party to develop, manufacture or commercialize any products covered by the intellectual property licensed by Arbutus, it will be required to pay Arbutus the lesser of (i) up to 20% of the Royalty-Related Receipts (as defined in the Arbutus Cross-License Agreement) received by Genevant from such sublicensees or collaborators and (ii) tiered low single-digit royalties on net sales by sublicensees. Genevant's royalty obligations apply on a product-by-product, country-by-country basis and end on the date on which the last valid claim of the licensed patents in such country that covers such licensed product expires. The patents and pending patent applications, if granted, currently licensed under the Arbutus Cross-License Agreement begin to expire as early as 2023, ending as late as 2039, without giving effect to any potential patent term extensions or patent term adjustments. Unless earlier terminated based on customary termination rights, the Arbutus Cross-License Agreement will continue until the expiration of Genevant's royalty obligations.

In December 2021, Arbutus and Genevant Sciences GmbH, as an assignee of Genevant, entered into the third amendment (the "Amendment") to the Arbutus Cross License Agreement, which, among other things, clarified the treatment of proceeds received by Genevant from an action for infringement by any third parties of Arbutus's intellectual property licensed to Genevant. In such an infringement action, Arbutus would be entitled to receive, after deduction of litigation costs, 20% of the proceeds received by Genevant or, if less, tiered low single-digit royalties on net sales of the infringing product (inclusive of the proceeds from litigation or settlement, which would be treated as net sales). The Amendment also clarified that, if a third-party sublicensee of intellectual property licensed by Genevant from Arbutus commercializes a sublicensed product, Arbutus becomes entitled to receive a specified percentage of certain revenue that may be received by Genevant for such sublicense, including royalties, commercial milestones and other sales related revenue, or, if less, tiered low single-digit royalties on net sales of the sublicensed product. The specified percentage is 20% in the case of a mere sublicense (i.e., naked sublicense) by Genevant without additional contribution and 14% in the case of a bona fide collaboration with Genevant.

Hemavant

License Agreement with Eisai Co. Ltd.

In November 2021, our subsidiary, Pharmavant 7 GmbH ("Hemavant"), entered into a license agreement with Eisai Co. Ltd. ("Eisai") (the "Eisai License Agreement"). Pursuant to the Eisai License Agreement, Eisai granted Hemavant (i) an exclusive, worldwide, sublicensable, royalty-bearing license under certain patents and know-how and (ii) a non-exclusive, worldwide, sublicensable, royalty-bearing license under certain additional patents, know-how and inventions, in each case, to develop, manufacture and commercialize the compound known as RVT-2001 and products incorporating RVT-2001 ("licensed products") for all human and animal uses.

Hemavant paid Eisai an upfront fee of \$15.0 million, consisting of (i) \$8.0 million in cash and (ii) newly issued Roivant Common Shares with a value of \$7.0 million. Hemavant may also be obligated to pay up to a maximum of \$65.0 million in development and regulatory milestone payments (with respect to the product for the first indication) and up to a maximum of \$18.0 million in payments (with respect to the product for each additional indication) and up to a maximum of \$295.0 million in commercial milestone payments. Hemavant may also be obligated to pay a tiered high single-digit to sub-teens royalty, subject to certain customary reductions, on net sales of licensed products. Hemavant's royalty obligations apply on a licensed product-by-licensed product, country-by-country basis commencing on the first commercial sale of such licensed product in such country and ending upon the latest of (i) the date on which the last valid claim of the licensed patents that cover the licensed product in such country expires, (ii) ten years after the first commercial sale of such licensed product in such country and (iii) the date on which the regulatory exclusivity for such licensed product in such country expires. Unless earlier terminated based on customary termination rights, the Eisai License Agreement will continue in effect until it expires (i) on a licensed product-by-licensed product and country-by-country basis upon the expiration of the royalty term with respect to such licensed product in such country and (ii) in its entirety upon the expiration of all applicable royalty obligations with respect to all licensed products in all countries.

Intellectual Property

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for current and future products and product candidates, technologies and know-how; to operate without infringing, misappropriating or otherwise violating the proprietary rights of others; and to prevent others from infringing our proprietary rights. Our policy is to seek to protect our proprietary position by, among other methods, filing or in-licensing U.S. and foreign patents and patent applications related to our proprietary technology, inventions and improvements that are important to the development and implementation of our business. We may also rely on trade secrets, know-how, continuing technological innovation and potential in-licensing opportunities to develop and maintain our proprietary position.

The patent positions of companies like us are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the scope of claims allowable in patents in the fields of genetic therapy, cell therapy, biologics or pharmaceutical products generally has emerged in the United States or in Europe, among other countries. Changes in the patent laws and rules, either by legislation, judicial decisions, or regulatory interpretation in other countries may diminish our ability to protect our inventions and enforce our intellectual property rights, and more generally could affect the value of our intellectual property. In particular, our ability to stop third parties from making, using, selling, offering to sell, importing or otherwise commercializing any of our patented inventions, either directly or indirectly, will depend in part on our success in obtaining, defending and enforcing patent claims that cover our technology, inventions, and improvements. We cannot be sure that any patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our existing patents or any patents that may be granted to us in the future will be commercially useful in protecting our product candidates and technology. Moreover, our issued patents and those that may issue in the future may not guarantee us the right to practice our technology in relation to the commercialization of our product candidates or technology. The area of patents and other intellectual property rights in biotechnology is an evolving one with many risks and uncertainties, which may prevent us from commercializing our current and future products and product candidates and practicing our proprietary technology.

Our issued patents and those that may issue in the future may be challenged, narrowed, circumvented or invalidated, which could limit our ability to stop competitors from marketing related products or technologies or limit the length of the term of patent protection that we may have for our current and future products and product candidates and technologies. In addition, the rights granted under any issued patents may not provide us with complete protection or competitive advantages against competitors or other third parties with similar technology. Furthermore, our competitors may independently develop similar technologies that achieve similar outcomes but with different approaches. For these reasons, we may have competition for our product candidates. Moreover, the time required for development, testing and regulatory review of our product candidates may shorten the length of effective patent protection following commercialization. For this and other risks related to our proprietary technology, inventions, improvements, platforms and product candidates, please see the section entitled “Risk Factors—Risks Related to Roivant’s Business and Industry—Risks Related to Our Intellectual Property.”

Patents and Patent Applications

Dermavant

As of March 31, 2023, DSG is the exclusive owner of patent families that include 10 issued U.S. patents and at least 10 pending U.S. patent applications, as well as more than 85 issued patents and more than 55 pending patent applications in other jurisdictions, including the European Union and Japan, relating to VTAMA, the synthesis of VTAMA, intermediates made in the synthesis, the drug substance crystal form, topical formulations of VTAMA and uses thereof in certain diseases and disorders.

One of these patent families is directed to the topical formulation of VTAMA, and its use to treat plaque psoriasis, that Dermavant has evaluated in Phase 3 clinical trials, as well as its use to treat atopic dermatitis which has been evaluated in Phase 2b clinical trials, which includes a patent that was issued in the U.S. and has a natural expiration date in 2036, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. This formulation patent includes 113 claims directed to topical, homogeneous, oil-in-water micro-emulsions containing VTAMA, an oil phase, a surfactant and other specific ingredients. DSG also owns an issued patent in the U.S. covering methods of using the patented formulations to treat inflammatory diseases, including psoriasis and atopic dermatitis. Like the formulation patent, the method-of-use patent has a natural expiration date in 2036 in the U.S. assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. Foreign counterpart formulation and method-of-use patents are both issued and pending, and the issued counterparts also have a natural expiration date in 2036, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

DSG also owns a drug substance (“DS”) patent in the U.S. covering the high purity crystal form of VTAMA, as DS, the DS synthesis and several novel intermediates that are formed in the synthesis. This DS patent has a natural expiration date in 2038 assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees and without taking into account any possible patent term adjustments or extensions. DSG has also filed foreign counterpart DS applications that are both issued and pending in foreign jurisdictions and the issued counterparts similarly have a natural expiration date in 2038, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. Finally, DSG owns a method-of-use patent in the U.S. covering the method of treating mild to severe plaque psoriasis by topically administering VTAMA to achieve treatment success as measured by psoriasis PGA scores. This patent expires in 2039.

Anti-FcRn Franchise

Following ISG’s assumption of all rights, title, interest and obligations under the HanAll Agreement from RSG in December 2018, by virtue of the license of patent rights under the HanAll Agreement, ISG is the exclusive licensee of technology directed to batoclimab, IMVT-1402 and certain back-up and next-generation antibodies, and products containing such antibodies, in the licensed territory. As of May 17, 2023, the in-licensed patent portfolio includes a patent family covering batoclimab with pending patent applications and/or issued patents in the U.S., Argentina, Brazil, Canada, Colombia, European Patent Office, Egypt, Israel, Mexico and Saudi Arabia. This in-licensed patent family was filed in 2015 and discloses anti-FcRn antibodies, including batoclimab, pharmaceutical compositions thereof, methods of treating autoimmune disease using the same, polynucleotides encoding such antibodies, expression vectors including such polynucleotides, host cells transfected with such recombinant expression vectors, methods of manufacturing such antibodies and methods of detecting FcRn in vivo or in vitro using such antibodies. Notably, in this in-licensed patent family, a U.S. patent was issued on July 2, 2019, with claims directed to batoclimab as defined by its CDRs and epitope or antigen-binding fragment thereof, and a pharmaceutical composition comprising such antibody or antigen-binding fragment thereof. Furthermore, another U.S. patent was issued in this in-licensed patent family on January 28, 2020, with claims directed to batoclimab as defined by its CDRs or antigen-binding fragment thereof, a pharmaceutical composition comprising such antibody or antigen-binding fragment thereof, as well as methods of treating various autoimmune diseases using such antibody or antigen-binding fragment thereof, polynucleotides and expression vectors encoding the same, host cells transfected with such expression vectors and methods of producing such antibody or antigen-binding fragment. A further patent was issued in the U.S. on March 28, 2023 with claims to an isolated anti-FcRn antibody other than batoclimab or an antigen-binding fragment thereof, a pharmaceutical composition comprising such antibody or antigen-binding fragment thereof, as well as methods of treating various autoimmune diseases using such antibody or antigen-binding fragment thereof, polynucleotides and expression vectors encoding the same, host cells transfected with such expression vectors and methods of preparing such antibody or antigen-binding fragment. A European patent in this family was issued on May 10, 2023 with claims directed to batoclimab as defined by its heavy and light chain variable sequences. There are also issued patents in this family in Canada, Israel, Mexico, and Saudi Arabia. In this family, applications are pending in Brazil, Argentina, the U.S. and in Europe. The patents of this patent family and any pending applications, if issued, may expire in 2035, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

In addition, the in-licensed patent portfolio includes another patent family that discloses a pharmaceutical formulation for an anti-FcRn antibody. This patent family includes pending applications in the U.S., and in Europe, Israel, Canada, Brazil, Mexico and Argentina, and any patent issued in this patent family may expire in 2041, without taking into account any possible patent term adjustment or extension and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. Additionally, as of May 17, 2023, independent of the licensed patent portfolio, ISG owns patent families directed to methods of treating thyroid eye disease (Graves’ ophthalmopathy) and methods of treating warm autoimmune hemolytic anemia using anti-FcRn antibodies that include patent applications in the U.S. as well as foreign counterparts in certain jurisdictions. Any patent issued from these patent families may expire in 2039 and 2040, respectively, without taking into account any possible patent term adjustment or extension and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. ISG also has rights to an in-licensed patent family covering IMVT-1402 and its uses to treat autoimmune disease. Three U.S. provisional applications and one Korean application are pending in this family. Any patent issued from this patent family may expire in 2043, without taking into account any possible patent term adjustment or extension and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. ISG also owns U.S. provisional patent applications directed to methods of treating Graves’ Disease and methods of treating Chronic Inflammatory Demyelinating Polyneuropathy using anti-FcRn antibodies including batoclimab and IMVT-1402. Any patent issued from these patent families may expire in 2043, without taking into account any possible patent term adjustment or extension and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. ISG also owns a U.S. provisional application directed to high concentration protein formulations with polysorbate excipients and methods of making the same. Any patent issued from this patent family may expire in 2044, without taking into account any possible patent term adjustment or extension and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. For information regarding ISG’s license agreement with HanAll, please see “—Asset Acquisitions and License Arrangements.”

Telavant

As of March 31, 2023, Telavant, Inc. has exclusively licensed rights to two patent families pertaining to RVT-3101 containing at least three patents that have issued (two in the U.S. and one in Japan) covering a composition of matter of RVT-3101. The licensed patent families also include at least one U.S. pending patent application covering the composition of matter and an International (PCT) application that focuses on a method of using RVT-3101. Telavant has an option to exclusively license one patent family that discloses bi-specific antibodies related to RVT-3101. The composition of matter patents covering RVT-3101 are expected to expire in 2034, or 2039, taking into account possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. Should pending patent applications covering the method of use of RVT-3101 issue, they would expire in 2041. Should pending patent applications related to a bi-specific form of RVT-3101 issue, they would have an expiration date in 2042. RVT-3101 is also expected to benefit from a twelve-year U.S. regulatory exclusivity period, following approval.

Priovant

As of March 31, 2023, Priovant Therapeutics, Inc. has (1) exclusively licensed rights to six patent families for brepocitinib containing at least 160 issued patents and 75 pending patent applications in the U.S. and other jurisdictions, including the European Union and Japan, with claims covering a composition of matter, a crystalline form, a topical formulation, a process for making brepocitinib, a treatment of hidradenitis and a dosage regimen for treatment of hidradenitis. These patents and pending applications, if issued, are expected to expire as early as 2035, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees, and (2) exclusively licensed rights to three patent families for ropsacitinib containing at least 126 issued patents and 51 pending patent applications in the U.S. and other jurisdictions, including the European Union and Japan, with claims covering a composition of matter, a treatment of hidradenitis and a crystalline form. These patents and pending applications, if issued, are expected to expire as early as 2037, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

Proteovant

As of March 31, 2023, we own, co-own or have licensed rights to 49 patent families containing six issued U.S. patents and at least 60 pending patent applications in the U.S., Europe and a number of other jurisdictions. These patents and pending applications, if issued, are expected to expire as early as 2037, without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

Genevant

As of March 31, 2023, we own or co-own 21 patent families containing at least 45 issued patents and at least 61 pending patent applications in the U.S., European Union and numerous other jurisdictions, including claims relating to lipid nanoparticle delivery technology and polymers. These patents and pending applications, if issued, are expected to expire between 2029 and 2042, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees.

As of March 31, 2023, we have licensed 35 patent families containing at least 499 issued patents and at least 207 pending patent applications in the U.S., European Union and numerous other jurisdictions, including claims relating to delivery systems. These patents and pending applications, if issued, are expected to expire between 2023 and 2039, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees.

Hemavant

As of March 31, 2023, Hemavant has exclusively licensed rights to four patent families containing at least 93 issued patents and 23 pending patent applications in the U.S. and other jurisdictions, including the European Union and Japan, with claims covering a composition of matter, a polymorph, methods of treating MDS, and biomarkers for MDS. These exclusively licensed patents and pending applications, if issued, are expected to expire as early as 2037, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

As of March 31, 2023, Hemavant has non-exclusively licensed rights to three patent families containing at least 15 issued patents and 14 pending patent applications in the U.S. and other jurisdictions with claims covering methods of treating splice mutant cancers, spliceosome mutations, and combinations of a spliceosome modulator and a BCL inhibitor. The non-exclusively licensed patents and pending applications, if issued, are expected to expire as early as 2037, in each case without taking into account any possible patent term adjustment or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

Trade Secrets

In addition to our reliance on patent protection for our inventions, product candidates and research programs, we also rely on trade secrets, know-how, continuing technological innovation and potential in-licensing opportunities to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality and invention assignment agreements with our commercial partners, collaborators, employees and consultants. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with an employee or a third-party. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors or other third parties. As a result, we may not be able to meaningfully protect our trade secrets. For more information regarding the risks related to our intellectual property, see “Risk Factors—Risks Related to Roivant’s Business and Industry—Risks Related to Our Intellectual Property.”

Government Regulation

Government authorities in the United States at the federal, state and local level and in other countries regulate, among other things, the research, development, manufacture, testing, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of drug and biological products, as well as diagnostics, and any future product candidates. Generally, before a new drug, biologic or diagnostic can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific for each regulatory authority, submitted for review and approved, authorized, or cleared by the applicable regulatory authority.

U.S. Government Regulation of Drug and Biological Products

In the United States, the FDA regulates drugs under the Federal Food, Drug and Cosmetic Act (the “FDCA”) and its implementing regulations and biologics under the FDCA and the Public Health Service Act (the “PHSA”), and their implementing regulations. Both drugs and biologics also are subject to other federal, state and local statutes and regulations, such as those related to competition. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, and local statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or following approval may subject an applicant to administrative actions or judicial sanctions. These actions and sanctions could include, among other actions, the FDA’s refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, untitled or warning letters, voluntary or mandatory product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement, debarment from producing or marketing drug products or biologics, disqualification from conducting research, and civil or criminal fines or penalties. Any agency or judicial enforcement action could have a material adverse effect on our business, the market acceptance of our products and our reputation.

Our product candidates must be approved by the FDA through either an NDA or a BLA (as defined below) process before they may be legally marketed in the United States. The process generally involves the following:

- completion of extensive preclinical studies in accordance with applicable regulations, including studies conducted in accordance with GLP requirements;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an IRB, or independent ethics committee at each clinical trial site before each human trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with applicable IND regulations and requirements, GCP requirements and other clinical trial-related regulations to establish the safety and efficacy of the investigational product for each proposed indication;
- submission to the FDA of an NDA or BLA;
- a determination by the FDA within 60 days of its receipt of an NDA or BLA to accept the filing for review;

- satisfactory completion of one or more FDA pre-approval inspections of the manufacturing facility or facilities where the drug or biologic will be produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug or biologic's identity, strength, quality and purity;
- potential FDA inspection of the clinical trial sites that generated the data in support of the NDA or BLA and/or us as the sponsor;
- payment of user fees for FDA review of the NDA or BLA (unless a fee waiver applies);
- agreement with FDA on the final labeling for the product and the design and implementation of any required REMS; and
- FDA review and approval of the NDA or BLA, including consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug or biologic in the United States.

The preclinical and clinical testing and approval process requires substantial time, effort and financial resources, and the regulatory scheme for drugs and biologics is evolving and subject to change at any time. We cannot be certain that any approvals for our product candidates will be granted on a timely basis, or at all.

Preclinical Studies

Before testing any drug or biological product candidate in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluation of product chemistry and formulation, as well as in vitro and animal studies to assess safety and in some cases to establish a rationale for therapeutic use. In the U.S., the conduct of preclinical studies is subject to federal and state regulations and requirements, including GLP regulations for nonclinical (e.g., safety/toxicology) studies.

In the U.S., an IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational product to humans, and must become effective before human clinical trials may begin. Some long-term preclinical testing, such as animal tests of reproductive AEs and carcinogenicity, may continue, and additional preclinical testing may commence, after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time, the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence. Additionally, the review of information in an IND submission may prompt FDA to, among other things, scrutinize existing INDs or marketed products and could generate requests for information or clinical holds on other product candidates or programs.

Clinical Trials

The clinical stage of development involves the administration of the investigational product to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCP requirements, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria and the parameters to be used to monitor subject safety and assess efficacy. In the U.S., each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB for each institution at which the clinical trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative, and must monitor the clinical trial until completed. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries. Information about certain clinical trials, including clinical trial results, must be submitted within specific timeframes for publication on the www.clinicaltrials.gov website.

A sponsor who wishes to conduct a clinical trial outside of the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. If a foreign clinical trial is not conducted under an IND, the sponsor may submit data from the clinical trial to the FDA in support of an NDA or BLA. The FDA will accept a well-designed and well-conducted foreign clinical study not conducted under an IND if the study was conducted in accordance with GCP requirements, and the FDA is able to validate the data through an onsite inspection if deemed necessary.

Clinical trials generally are conducted in three sequential phases, known as Phase 1, Phase 2 and Phase 3, and may overlap or be combined.

- Phase 1 clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect tolerability and safety of the product candidate.
- Phase 2 clinical trials involve studies in disease-affected patients to evaluate proof of concept and/or determine the dose required to produce the desired benefits. At the same time, safety and further PK and PD information is collected, possible adverse effects and safety risks are identified, and a preliminary evaluation of efficacy is conducted.
- Phase 3 clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product labeling.

In March 2022, the FDA finalized a guidance entitled “Expansion Cohorts: Use in First-In-Human Clinical Trials to Expedite Development of Oncology Drugs and Biologics,” the draft of which was released in August 2018. This final guidance outlines how drug developers can utilize an adaptive trial design commonly referred to as a seamless trial design in early stages of oncology drug development, i.e., the first-in-human clinical trial, to compress early phases of trials into one continuous trial called an expansion cohort trial. Information to support the design of individual expansion cohorts are included in IND applications and assessed by FDA. Expansion cohort trials can potentially bring efficiency to drug development and reduce developmental costs and time.

Post-approval trials, sometimes referred to as Phase 4 clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication and are commonly intended to generate additional safety data regarding use of the product in a clinical setting. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA or BLA or post-approval.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA and written IND safety reports must be submitted to the FDA and the investigators 15 days after the trial sponsor determines the information qualifies for reporting for serious and unexpected suspected AEs, findings from other studies or animal or in vitro testing that suggest a significant risk for human subjects and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must also notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than seven calendar days after the sponsor’s initial receipt of the information.

Phase 1, Phase 2, Phase 3 and other types of clinical trials may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB’s requirements or if the drug or biologic has been associated with unexpected serious harm to patients. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether a trial may move forward at designated check points based on access to certain data from the trial. Concurrent with clinical trials, companies usually complete additional animal studies and also must develop additional information about the chemistry and physical characteristics of the drug or biologic as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product and, among other things, companies must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidates do not undergo unacceptable deterioration over their shelf life.

FDA Review Process

Following completion of the clinical trials, data are analyzed to assess whether the investigational product is safe and effective for the proposed indicated use or uses. The results of preclinical studies and clinical trials are then submitted to the FDA as part of an NDA or BLA, along with proposed labeling, chemistry and manufacturing information to ensure product quality and other relevant data. The NDA or BLA is a request for approval to market the drug or biologic for one or more specified indications and must contain proof of safety and efficacy for a drug or safety, purity and potency for a biologic. The application may include both negative and ambiguous results of preclinical studies and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product’s use or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of FDA. FDA approval of an NDA or BLA must be obtained before a drug or biologic may be marketed in the United States.

Under the Prescription Drug User Fee Act (the “PDUFA”), as amended, each NDA or BLA must be accompanied by a user fee. FDA adjusts the PDUFA user fees on an annual basis. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on NDAs or BLAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA reviews all submitted NDAs and BLAs before it accepts them for filing, and may request additional information rather than accepting the NDA or BLA for filing. The FDA must make a decision on accepting an NDA or BLA for filing within 60 days of receipt, and such decision could include a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth review of the NDA or BLA. Under the goals and policies agreed to by the FDA under PDUFA, the FDA targets ten months, from the filing date, in which to complete its initial review of a new molecular entity NDA or original BLA and respond to the applicant, and six months from the filing date of a new molecular entity NDA or original BLA designated for priority review. The FDA does not always meet its PDUFA goal dates for standard and priority NDAs or BLAs, and the review process is often extended by FDA requests for additional information or clarification. During the COVID-19 pandemic, because of travel and other restrictions, the FDA has significantly curtailed its inspection program. The reduction in pre-approval inspections has resulted in delays to some product approvals. Even with the mostly complete resumption of the FDA’s normal inspection program and continued use of alternative inspection tools, there may be delays to product approvals in the future based on a resurgence of, or new problems with respect to the FDA’s ability to conduct inspections and then, even after a complete resumption of the FDA’s normal inspection program, a possible backlog in applications under review by the agency.

The FDA has developed the Oncology Center of Excellence RTOR pilot program to facilitate a more efficient review process for certain oncology product candidates. Although this program allows FDA to begin reviewing clinical data prior to submission of a complete NDA or BLA, the program is not intended to change the PDUFA review timelines.

Before approving an NDA or BLA, the FDA will typically conduct a pre-approval inspection of the manufacturing facilities for the new product to determine whether they comply with cGMP requirements. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA also may audit data from clinical trials to ensure compliance with GCP requirements. Additionally, the FDA may refer applications for novel products or products which present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions, if any. The FDA is not bound by recommendations of an advisory committee, but it considers such recommendations when making decisions on approval. The FDA likely will reanalyze the clinical trial data, which could result in extensive discussions between the FDA and the applicant during the review process. After the FDA evaluates an NDA or BLA, it will issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the drug or biologic with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete, and the application will not be approved in its present form. A Complete Response Letter usually describes all of the specific deficiencies in the NDA or BLA identified by the FDA. The Complete Response Letter may require the applicant to obtain additional clinical data, including the potential requirement to conduct additional pivotal Phase 3 clinical trial(s) and/or to complete other significant and time-consuming requirements related to clinical trials, or to conduct additional preclinical studies or manufacturing activities. If a Complete Response Letter is issued, the applicant may either resubmit the NDA or BLA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing. Even if such data and information are submitted, the FDA may decide that the NDA or BLA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data.

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biological product intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making the product available in the United States for this type of disease or condition will be recovered from sales of the product.

Orphan drug designation must be requested before submitting an NDA or BLA. After the FDA grants orphan drug designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same indication for seven years from the date of such approval, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity by means of greater effectiveness, greater safety or providing a major contribution to patient care or in instances of drug supply issues. Competitors, however, may receive approval of either a different product for the same indication or the same product for a different indication but that could be used off-label in the orphan indication. Orphan drug exclusivity also could block the approval of one of our products for seven years if a competitor obtains approval before we do for the same product, as defined by the FDA, for the same indication we are seeking approval, or if our product is determined to be contained within the scope of the competitor's product for the same indication or disease. If we pursue marketing approval for an indication broader than the orphan drug designation we have received, we may not be entitled to orphan drug exclusivity. Orphan drug status in the European Union has similar, but not identical, requirements and benefits.

Rare Pediatric Disease Designation and Priority Review Vouchers

Under the FDCA, as amended, the FDA incentivizes the development of drugs and biologics that meet the definition of a "rare pediatric disease," defined to mean a serious or life-threatening disease in which the serious or life-threatening manifestations primarily affect individuals aged from birth to 18 years and the disease affects fewer than 200,000 individuals in the United States or affects more than 200,000 in the United States and for which there is no reasonable expectation that the cost of developing and making in the United States a drug for such disease or condition will be received from sales in the United States of such drug. The sponsor of a product candidate for a rare pediatric disease may be eligible for a voucher that can be used to obtain a priority review for a subsequent human drug or biologic application after the date of approval of the rare pediatric disease drug product, referred to as a priority review voucher (a "PRV"). A sponsor may request rare pediatric disease designation from the FDA prior to the submission of its NDA or BLA. A rare pediatric disease designation does not guarantee that a sponsor will receive a PRV upon approval of its NDA or BLA. Moreover, a sponsor who chooses not to submit a rare pediatric disease designation request may nonetheless receive a PRV upon approval of their marketing application if they request such a voucher in their original marketing application and meet all of the eligibility criteria. If a PRV is received, it may be sold or transferred an unlimited number of times. Congress has extended the PRV program through September 30, 2024, with the potential for PRVs to be granted through September 30, 2026.

Expedited Development and Review Programs

A sponsor may seek to develop and obtain approval of its product candidates under programs designed to accelerate the development, FDA review and approval of new drugs and biologics that meet certain criteria. For example, the FDA has a fast-track program that is intended to expedite or facilitate the process for reviewing new drugs and biologics that are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast track designation applies to both the product and the specific indication for which it is being studied. For a fast track-designated product, the FDA may consider sections of the NDA or BLA for review on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the application, the FDA agrees to accept sections of the application and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the application. The sponsor can request the FDA to designate the product for fast-track status any time before receiving NDA or BLA approval, but ideally no later than the pre-NDA or pre-BLA meeting.

A product submitted to the FDA for marketing, including under a fast-track program, may be eligible for other types of FDA programs intended to expedite development or review, such as priority review and accelerated approval. Priority review means that, for an NDA for a new molecular entity or original BLA, the FDA sets a target date for FDA action on the marketing application at six months after accepting the application for filing as opposed to ten months. A product is eligible for priority review if it is designed to treat a serious or life-threatening disease condition and, if approved, would provide a significant improvement in safety and effectiveness compared to available therapies. The FDA will attempt to direct additional resources to the evaluation of an application for a new drug or biologic designated for priority review in an effort to facilitate the review. If criteria are not met for priority review, the NDA for a new molecular entity or original BLA is subject to the standard FDA review period of ten months after FDA accepts the application for filing. Priority review designation does not change the scientific/medical standard for approval or the quality of evidence necessary to support approval.

A product may also be eligible for accelerated approval if it is designed to treat a serious or life-threatening disease or condition, generally provides a meaningful advantage over other available therapies, and demonstrates an effect on either a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality (“IMM”), that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the disease or condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require that a sponsor of a drug or biologic receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials. FDA may require such trials to be underway prior to, or within a specific period after, approval and will specify the conditions for such studies. Further, sponsors must provide reports on post-marketing trial progress no later than 180 days after approval and every 180 days thereafter until such trials are completed. The failure to conduct required post-approval clinical trials with due diligence and the failure to submit the required reports are prohibited acts. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product. FDA may withdraw approval of a drug or indication approved under accelerated approval if, for example, the confirmatory trial is not conducted or fails to verify the predicted clinical benefit of the product. FDA can withdraw accelerated approvals on an expedited basis provided certain procedures are followed.

Additionally, a drug or biologic may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. If the FDA designates a breakthrough therapy, it may take actions appropriate to expedite the development and review of the application, which may include holding meetings with the sponsor and the review team throughout the development of the therapy; providing timely advice to, and interactive communication with, the sponsor regarding the development of the drug to ensure that the development program to gather the nonclinical and clinical data necessary for approval is as efficient as practicable; involving senior managers and experienced review staff, as appropriate, in a collaborative, cross-disciplinary review; assigning a cross-disciplinary project lead for the FDA review team to facilitate an efficient review of the development program and to serve as a scientific liaison between the review team and the sponsor; and considering alternative clinical trial designs when scientifically appropriate, which may result in smaller trials or more efficient trials that require less time to complete and may minimize the number of patients exposed to a potentially less efficacious treatment. Breakthrough therapy designation comes with all of the benefits of fast-track designation, which means that the sponsor may file sections of the NDA or BLA for review on a rolling basis if certain conditions are satisfied, including an agreement with the FDA on the proposed schedule for submission of portions of the application and the payment of applicable user fees before the FDA may initiate a review.

The FDA has also announced the availability of the RTOR pilot program for oncology product candidates that are likely to demonstrate substantial improvements over available therapy, which may include drugs previously granted breakthrough therapy designation for the same or other indications and candidates meeting other criteria for other expedited programs, such as fast track and priority review. Submissions for RTOR consideration should also have straightforward study designs and endpoints that can be easily interpreted (such as overall survival or progression free survival). Acceptance into the RTOR pilot does not guarantee or influence approvability of the application, which is subject to the usual benefit-risk evaluation by FDA reviewers, but the program allows FDA to review data earlier, before an applicant formally submits a complete application. The RTOR pilot program does not affect FDA’s PDUFA timelines.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or the time period for FDA review or approval may not be shortened. Furthermore, fast track designation, priority review, accelerated approval, breakthrough therapy and RMAT designation do not change the standards for approval.

Pediatric Information and Pediatric Exclusivity

Under the Pediatric Research Equity Act (the “PREA”), certain NDAs and BLAs and certain supplements to an NDA or BLA must contain data to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of pediatric data or full or partial waivers. The Food and Drug Administration Safety and Innovation Act (the “FDASIA”) amended the FDCA to require that a sponsor who is planning to submit a marketing application for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan (“PSP”), within 60 days of an end-of-Phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of the Phase 3 or Phase 2/3 study. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials and/or other clinical development programs.

A drug or biologic product can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study.

Post-Marketing Requirements

Following approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences and certain problems in the manufacturing process, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as "off-label use") and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses and any promotion that is false or misleading, and a company that is found to have improperly promoted off-label uses or in a false or misleading manner may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug or biologic, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA/BLA or NDA/BLA supplement, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may also place other conditions on approvals, including the requirement for a REMS, to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the NDA or BLA must submit a proposed REMS. The FDA will not approve the NDA or BLA without an approved REMS, if required. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn for non-compliance with regulatory standards or if problems occur following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. We rely, and expect to continue to rely, on third parties for the production of clinical and commercial quantities of our products in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP. Manufacturers and other entities involved in the manufacture and distribution of approved drugs or biologics are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. The discovery of violative conditions, including failure to conform to cGMP regulations, could result in enforcement actions, and the discovery of problems with a product after approval may result in restrictions on a product, manufacturer or holder of an approved NDA or BLA, including recall.

Once an approval is granted, the FDA may issue enforcement letters or withdraw the approval of the product if compliance with regulatory requirements and standards is not maintained or if problems occur after the drug or biologic reaches the market. Corrective action could delay drug or biologic distribution and require significant time and financial expenditures. Later discovery of previously unknown problems with a drug or biologic, including AEs of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the drug or biologic, suspension of the approval, complete withdrawal of the drug from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;

- refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of drug or biologic approvals;
- drug or biologic seizure or detention, or refusal to permit the import or export of drugs;
- injunctions or the imposition of civil or criminal penalties; or
- debarment from producing or marketing drug products or biologics.

Regulation of Companion Diagnostics

Success of certain product candidates may depend, in part, on the development and commercialization of a companion diagnostic. A companion diagnostic is a medical device, typically an *in vitro* device, which provides information that is essential for the safe and effective use of a corresponding drug or biological product. Companion diagnostics can identify patients who are most likely to benefit from a particular therapeutic product; identify patients likely to be at increased risk for serious side effects as a result of treatment with a particular therapeutic product; or monitor response to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness. Companion diagnostics are generally regulated as medical devices by the FDA. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption or FDA exercise of enforcement discretion applies, diagnostic tests generally require marketing clearance through the premarket notification process (“510(k) clearance”) or premarket approval from the FDA prior to commercialization.

To obtain 510(k) clearance for a medical device, or for certain modifications to devices that have received 510(k) clearance, a manufacturer must submit a premarket notification demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or to a preamendment device that was in commercial distribution before May 28, 1976, or other predicate devices, for which the FDA has not yet called for the submission of a premarket approval application (“PMA”). In making a determination that the device is substantially equivalent to a predicate device, the FDA compares the proposed device to the predicate device or predicate devices and assesses whether the subject device is comparable to the predicate device or predicate devices with respect to intended use, technology, design and other features which could affect safety and effectiveness. If the FDA determines that the subject device is substantially equivalent to the predicate device or predicate devices, the subject device may be cleared for marketing. The 510(k) premarket notification pathway generally takes from three to twelve months from the date the application is completed, but can take significantly longer.

PMA applications must be supported by valid scientific evidence, which typically requires extensive data, including technical, preclinical, clinical and manufacturing data, to demonstrate to the FDA’s satisfaction the safety and effectiveness of the device. For diagnostic tests, a PMA, typically includes data regarding analytical and clinical validation studies. As part of its review of the PMA, the FDA will typically conduct a pre-approval inspection of the manufacturing facility or facilities to ensure compliance with the Quality System Regulation (the “QSR”), which requires manufacturers to follow design, testing, control, corrective and preventative action, documentation, and other quality assurance procedures. The FDA’s review of an initial PMA application is generally required by statute to take six months, although the process typically takes longer, and may require several years to complete. If the FDA evaluations of both the PMA application and the manufacturing facilities are favorable, the FDA will either issue an approval letter or an approvable letter, which usually contains a number of conditions that must be met in order to secure the final approval of the PMA. If the FDA’s evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny the approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. Once granted, PMA approval may be withdrawn by the FDA if compliance with post-approval requirements, conditions of approval or other regulatory standards is not maintained or problems are identified following initial marketing. Once cleared or approved, the companion diagnostic device must adhere to post-marketing requirements including the requirements of FDA’s quality system regulation, adverse event reporting, recalls and corrections along with product marketing requirements and limitations. Like drug and biologic makers, companion diagnostic makers are subject to unannounced FDA inspections at any time during which the FDA is able to conduct an inspection of the product(s) and the company’s facilities for compliance with its authorities.

FDA has taken the position that developers of companion diagnostic tests associated with novel therapeutic products should seek clearance or approval at the same time that the therapeutic developer seeks approval. FDA has recognized that contemporaneous clearance or approval of a companion diagnostic with a therapeutic is not always possible, though FDA has indicated that coordination of contemporaneous clearances/approvals is a policy goal. In October 2018, FDA issued a safety alert warning against the use of unapproved or uncleared genetic tests to predict patient response to specific medications. While FDA has historically exercised enforcement discretion against laboratory developed tests—tests which are developed and performed in a single Clinical Laboratory Improvement Amendments (“CLIA”) certified laboratory—the 2018 alert and a subsequent 2019 Warning Letter against Inova Genomics Laboratory suggest that FDA may prioritize for enforcement certain uncleared or unapproved tests marketed as companion diagnostic tests. Subsequently, FDA has attempted to encourage collaboration between *in vitro* diagnostic test developers and therapeutic developers and to clarify FDA expectations as to companion diagnostic labeling, particularly through guidance in the oncology area. In March 2023, the Verifying Accurate Leading-edge IVCT Development Act of 2023 (the “VALID Act”) was introduced in the U.S. House of Representatives. Similar to previous iterations of the bill, among other things, the VALID Act would likely classify all companion diagnostic tests as requiring FDA premarket review and would formalize and arguably expand FDA’s regulatory authority over diagnostic testing. Though passage of the VALID Act is uncertain, bipartisan support appears to remain for some kind of diagnostic testing legislative reform in the near term.

Biosimilars and Exclusivity

Certain of our product candidates, including batoclimab, are regulated as biologics. An abbreviated approval pathway for biological products shown to be similar to, or interchangeable with, an FDA-licensed reference biological product was created by the Biologics Price Competition and Innovation Act of 2009 (the “BPCI Act”), as part of the Affordable Care Act (the “ACA”). This amendment to the PHSA, in part, attempts to minimize duplicative testing. Biosimilarity, which requires that the biological product be highly similar to the reference product notwithstanding minor differences in clinically inactive components and that there be no clinically meaningful differences between the product and the reference product in terms of safety, purity and potency, can be shown through analytical studies, animal studies and a clinical trial or trials. Interchangeability requires that a biological product be biosimilar to the reference product and that the product can be expected to produce the same clinical results as the reference product in any given patient and, for products administered multiple times to an individual, that the product and the reference product may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biological product without such alternation or switch. Complexities associated with the larger, and often more complex, structure of biological products as compared to small molecule drugs, as well as the processes by which such products are manufactured, pose significant hurdles to implementation that are still being worked out by the FDA.

A reference biological product is granted four and twelve year exclusivity periods from the time of first licensure of the product. The FDA will not accept an application for a biosimilar or interchangeable product based on the reference biological product until four years after the date of first licensure of the reference product, and the FDA will not approve an application for a biosimilar or interchangeable product based on the reference biological product until twelve years after the date of first licensure of the reference product. “First licensure” typically means the initial date the particular product at issue was licensed in the United States. Date of first licensure does not include the date of licensure of (and a new period of exclusivity is not available for) a biological product if the licensure is for a supplement for the biological product or for a subsequent application by the same sponsor or manufacturer of the biological product (or licensor, predecessor in interest, or other related entity) for a change (not including a modification to the structure of the biological product) that results in a new indication, route of administration, dosing schedule, dosage form, delivery system, delivery device or strength, or for a modification to the structure of the biological product that does not result in a change in safety, purity, or potency. Therefore, one must determine whether a new product includes a modification to the structure of a previously licensed product that results in a change in safety, purity, or potency to assess whether the licensure of the new product is a first licensure that triggers its own period of exclusivity. Whether a subsequent application, if approved, warrants exclusivity as the “first licensure” of a biological product is determined on a case-by-case basis with data submitted by the sponsor.

Other Regulatory Matters

Manufacturing, sales, promotion and other activities following product approval are also subject to regulation by numerous regulatory authorities in the United States in addition to the FDA, including the Centers for Medicare and Medicaid Services (the “CMS”), the Office of Inspector General and Office for Civil Rights, other divisions of the Department of HHS, the Department of Justice, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments.

Healthcare providers, physicians, and third-party payors will play a primary role in making clinically-appropriate decisions enabling patient access to any products for which we obtain marketing approval. Our current and future arrangements with healthcare providers and physicians and any future arrangements with third-party payers, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any drugs for which we obtain marketing approval. In the United States, these laws include: the federal Anti-Kickback Statute, the False Claims Act and the Health Insurance Portability and Accountability Act (“HIPAA”).

The Anti-Kickback Statute makes it illegal for any person, including a prescription drug manufacturer (or a party acting on its behalf), to knowingly and willfully solicit, receive, offer or pay any remuneration, directly or indirectly, in cash or in kind, that is intended to induce or reward referrals, including the purchase, recommendation, order or prescription of a particular drug, for which payment may be made under a federal healthcare program, such as Medicare or Medicaid. Violations of this law are punishable by imprisonment, criminal fines, administrative civil money penalties and exclusion from participation in federal healthcare programs. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it. Moreover, the ACA provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

Drug manufacturers can be held liable under the federal civil False Claims Act, which imposes civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities (including manufacturers) for, among other things, knowingly presenting, or causing to be presented to federal programs (including Medicare and Medicaid) claims for items or services, including drugs, that are false or fraudulent, claims for items or services not provided as claimed, or claims for medically unnecessary items or services. Penalties for a False Claims Act violation include three times the actual damages sustained by the government, plus mandatory civil penalties for each separate false claim; the potential for exclusion from participation in federal healthcare programs, which would preclude reimbursement of our products under the Medicare and Medicaid programs; and, although the federal False Claims Act is a civil statute, conduct that results in a False Claims Act violation may also implicate various federal criminal statutes. The government may deem manufacturers to have “caused” the submission of false or fraudulent claims by, for example, providing certain billing or coding information to customers or promoting a product off-label. Claims which include items or services resulting from a violation of the federal Anti-Kickback Statute are false or fraudulent claims for purposes of the False Claims Act. Our future marketing and activities relating to federal, state, and commercial reimbursement for our products, and the sale and marketing of our product candidates, are subject to scrutiny under this law.

HIPAA created federal criminal statutes that prohibit among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by, or under the control or custody of, any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Like the federal Anti-Kickback Statute a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

The civil monetary penalties statute imposes penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

We are subject to data privacy and security regulations administered and enforced by the federal government as well as statutes and regulations adopted in the states in which we conduct our business. At the federal level, the FDA regulations for the protection of human research subjects require that we protect the privacy of personal information and obtain appropriate informed consent in connection with research using identifiable subject information or identifiable biological samples. In addition, the data privacy and security regulations implementing HIPAA impose strict limitations on the use and disclosure of individually identifiable health information, including for research purposes. Civil and criminal penalties may be imposed on entities subject to HIPAA, both by the HHS Office for Civil Rights and by state attorneys general, who have the authority to file civil actions for damages or injunctions in federal courts to enforce the HIPAA privacy and security regulations and to seek attorney’s fees and costs associated with pursuing such actions. In addition, the Federal Trade Commission has broad authority to investigate and initiate enforcement actions regarding any activity affecting the privacy or security of personal information that it deems deceptive or unfair. At the state level, a rapidly growing body of privacy and data protection laws impose requirements and restrictions, some of which are more stringent than federal law and many of which differ from each other in significant ways, thus complicating compliance efforts. Failure to comply with these laws can result in the imposition of significant civil and criminal penalties.

Additionally, the federal Physician Payments Sunshine Act (the “Sunshine Act”), within the ACA, and its implementing regulations, require that certain manufacturers of drugs, devices, biological and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) report annually to CMS information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, physicians, certain other healthcare professionals, and teaching hospitals and to report annually certain ownership and investment interests held by physicians, certain other healthcare professionals, and their immediate family members. Effective January 1, 2022, these reporting obligations were extended to include transfers of value made to certain non-physician providers such as physician assistants and nurse practitioners. In addition, many states also govern the reporting of payments or other transfers of value, many of which differ from each other in significant ways, are often not preempted, and may have a more prohibitive effect than the Sunshine Act, thus further complicating compliance efforts.

Similar federal, state and foreign fraud and abuse laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services. Such laws are generally broad and are enforced by various state agencies and private actions. Also, many states have similar fraud and abuse statutes or regulations that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under Medicaid and other state programs. Some state laws require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant federal government compliance guidance, and require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures.

In order to distribute products commercially, we must comply with state laws that require the registration of manufacturers and wholesale distributors of drug and biological products in a state, including, in certain states, manufacturers and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state. Several states have enacted legislation requiring pharmaceutical and biotechnology companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, and/or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical and biotechnology companies for use in sales and marketing, and to prohibit certain other sales and marketing practices. All of our activities are potentially subject to federal and state consumer protection and unfair competition laws.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, individual imprisonment, exclusion of drugs from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company’s attention from the business.

Current and Future Legislation

In the United States and some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare.

For example, in March 2010, the ACA was enacted in the United States. The ACA includes measures that have significantly changed, and are expected to continue to significantly change, the way healthcare is financed by both governmental and private insurers. Among the changes made by the ACA to preexisting law of importance to the pharmaceutical industry are that the ACA:

- made several changes to the Medicaid Drug Rebate Program, including increasing pharmaceutical manufacturers’ rebate liability by raising the minimum basic Medicaid rebate on most branded prescription drugs to 23.1% of average manufacturer price (“AMP”), and adding a new rebate calculation for “line extensions” (i.e., new formulations, such as extended release formulations) of solid oral dosage forms of branded products, as well as potentially impacting their rebate liability by modifying the statutory definition of AMP.

- imposed a requirement on manufacturers of branded drugs to provide a 70% (increased pursuant to the Bipartisan Budget Act of 2018, effective as of 2019) point-of-sale discount off the negotiated price of branded drugs dispensed to Medicare Part D beneficiaries in the coverage gap (i.e., “donut hole”) as a condition for a manufacturer’s outpatient drugs being covered under Medicare Part D.
- extended a manufacturer’s Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations.
- expanded the entities eligible for discounts under the 340B Drug Discount Program.
- established a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected.
- imposed an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs, apportioned among these entities according to their market share in certain government healthcare programs.
- established a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research. The research conducted by the Patient-Centered Outcomes Research Institute may affect the market for certain pharmaceutical products. The ACA established the Center for Medicare and Medicaid Innovation within CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Most recently, the Supreme Court upheld the constitutionality of the law in June 2021; however, there are ongoing challenges in federal court and future legal disputes remain possible. Additionally, Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA, and the law may be subjected to various Executive Orders and/or regulatory action to expand or reduce the scope of the law, based on the administration controlling the White House. The law may continue to exert significant pressure on pharmaceutical pricing and our profitability.

Moreover, in May 2018, the Trump administration released its “Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs,” or the Blueprint, and former President Trump also issued a number of Executive Orders in 2020 that were aimed at lowering the prices of prescription drugs. Some rules enacted under the Trump Administration have been stayed as a result of pending litigation or are under review or have been rescinded by the Biden Administration and/or Congress. For example, a rule enacted under the Trump Administration known as the “Most Favored Nations” rule would have set Medicare Part B reimbursement at an amount no higher than the lowest price that a drug manufacturer receives on a particular product in an index of foreign countries. This rule was the subject of litigation and was formally rescinded the Biden Administration in August 2021. Other initiatives under the Trump Administration have taken effect. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a form of drug utilization management, for Part B drugs, which took effect on January 1, 2020.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation’s automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year, which went into effect in April 2013, following passage of the Bipartisan Budget Act of 2013, and will remain in effect through the first six months of 2032 unless additional Congressional action is taken. However, the Medicare sequester reductions under the Budget Control Act were suspended from May 1, 2020 through March 31, 2022 due to the COVID-19 pandemic. There was a 1% reduction through the end of June 2022, after which the cuts returned to 2%. Absent further Congressional action, there is a possibility that an up to 4% Medicare sequester could be triggered in January 2025, pursuant to the Statutory Pay-As-You-Go Act of 2010 (“PAYGO”). Under PAYGO, if the five- or ten-year PAYGO scorecard shows a net cost at the end of a Congressional session, then the Office of Management and Budget is required to issue a sequestration order. The American Rescue Plan Act of 2021 was expected to trigger a PAYGO sequestration order at the end of the 2021 Congressional session., However, subsequent legislation has delayed a Statutory PAYGO sequestration order until after 2024. Additionally, the American Rescue Plan Act of 2021 eliminates the Medicaid unit rebate cap effective as of January 1, 2024, and the removal of this rebate cap could significantly impact our Medicaid rebate liability beginning in 2024.

There has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, and reform government program reimbursement methodologies for drugs. In July 2021, President Biden issued an executive order pertaining to drug pricing, which expressed support for legislation allowing direct negotiation in Medicare Part D and inflationary rebates, and directed various executive branch agencies to take actions to lower drug prices and promote generic competition. Finally, in August 2022, Congress enacted the Inflation Reduction Act (“IRA”), a law with sweeping changes to the payment of drugs under the Medicare program. Among other provisions, the IRA contains (i) a drug price negotiation program for certain high spend Medicare drugs that have been on the market for a certain length of time and lack generic or biosimilar competition, under which Medicare prices for such drugs are capped by a “maximum fair price”; (ii) new manufacturer rebate obligations on certain drugs paid under Medicare Part B or D whose prices increase faster than inflation relative to a benchmark period; and (iii) a redesign of the Part D benefit, including capping patients’ annual out-of-pocket costs on Part D drugs, lowering the beneficiary out-of-pocket threshold, streamlining the Part D benefit to eliminate the “coverage gap” phase, and replacing the manufacturer coverage gap discount program with a new manufacturer discount program that provides discounts throughout the post-deductible benefit phases. The law also includes certain exceptions for “small biotech drugs,” “specified manufacturers,” and “specified small manufacturers.” Although CMS has issued initial guidance on these exceptions, we cannot predict how these exceptions will be implemented and their impact on Roivant. In October 2022, President Biden issued an Executive Order directing the Center for Medicare and Medicaid Innovation (“CMMI”) to explore models to further address drug pricing. CMMI issued a report on February 14, 2023, describing three models that the Secretary has selected for testing. It is possible that Congress or the Administration may take further actions to control drug prices. Further federal, state and foreign legislative and regulatory developments are likely, and we expect these already enacted and ongoing initiatives to increase pressure on drug pricing. Reforms could have an adverse effect on anticipated revenues from product candidates and may affect our overall financial condition and ability to develop product candidates.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biotherapeutic product pricing, including restrictions on pricing or reimbursement at the state government level, limitations on discounts to patients, marketing cost disclosure and transparency measures, and, in some cases, policies to encourage importation from other countries (subject to federal approval) and bulk purchasing, including the National Medicaid Pooling Initiative. In particular, the obligation to provide notices of price increases to purchasers under laws such as California’s SB-17 may influence customer ordering patterns for our products, which in turn may increase the volatility of our revenues as a reflection of changes in inventory volumes.

Packaging and Distribution in the United States

If our products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. Products must meet applicable child-resistant packaging requirements under the U.S. Poison Prevention Packaging Act. Manufacturing, sales, promotion and other activities also are potentially subject to federal and state consumer protection and unfair competition laws.

The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale, diversion or misuse of pharmaceutical products.

The failure to comply with any of these laws or regulatory requirements subjects firms to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, exclusion from federal healthcare programs, requests for recall, seizure of products, total or partial suspension of production, denial or withdrawal of product approvals, or refusal to allow a firm to enter into supply contracts, including government contracts. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business. Prohibitions or restrictions on sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to product labeling; (iii) the recall or discontinuation of our products; or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

Other U.S. Environmental, Health and Safety Laws and Regulations

We may be subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. From time to time and in the future, our operations may involve the use of hazardous and flammable materials, including chemicals and biological materials, and may also produce hazardous waste products. Even if we contract with third parties for the disposal of these materials and waste products, we cannot completely eliminate the risk of contamination or injury resulting from these materials. In the event of contamination or injury resulting from the use or disposal of our hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

We maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees, but this insurance may not provide adequate coverage against potential liabilities. However, we do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. Current or future environmental laws and regulations may impair our research, development or production efforts. In addition, failure to comply with these laws and regulations may result in substantial fines, penalties or other sanctions.

U.S. Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of our future product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit restoration of the patent term of up to five years as compensation for patent term lost during the FDA regulatory review process. Patent-term restoration, however, cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. The patent-term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA or BLA plus the time between the submission date of an NDA or BLA and the approval of that application, except that the review period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved drug is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we may apply for restoration of patent term for our currently owned or licensed patents to add patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant NDA or BLA.

Marketing exclusivity provisions under the FDCA also can delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an ANDA, or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example, new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the original active agent. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

European Union and United Kingdom Drug Development

On June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the European Union (commonly referred to as Brexit). Thereafter, on March 29, 2017, the country formally notified the European Union of its intention to withdraw pursuant to Article 50 of the Lisbon Treaty. The United Kingdom formally left the European Union on January 31, 2020. A transition period began on February 1, 2020, during which EU pharmaceutical law remained applicable in the United Kingdom. However this ended on December 31, 2020. On December 30, 2020, the United Kingdom and European Union signed the Trade and Cooperation Agreement, which includes an agreement on free trade between the two parties. Further, on February 27, 2023, an agreement in principle was reached by the UK and EU (the "Windsor Agreement"), relating to post-Brexit trade issues in Northern Ireland, which if implemented into the respective legislation, seeks to simplify the supply of medicines between Great Britain and Northern Ireland and will mean the EU legislation may not apply in all cases in Northern Ireland. Since the regulatory framework in the United Kingdom covering the quality, safety and efficacy of pharmaceutical products, clinical trials, marketing authorizations, commercial sales, and distribution of pharmaceutical products is derived from EU Directives and Regulations, Brexit could materially impact the future regulatory regime which applies to products and the approval of product candidates in the United Kingdom, as the UK legislation now has the potential to diverge from EU legislation. It remains to be seen how Brexit will impact regulatory requirements for medicinal products and devices in the United Kingdom in the long term. The MHRA has published detailed guidance for industry and organizations to follow now the transition period is over, which will be updated as the United Kingdom's regulatory position on medicinal products and medical devices evolves over time. There are also a number of ongoing consultations on the future legislation in the UK.

In the EEA, which is comprised of the Member States of the European Union plus Norway, Iceland and Liechtenstein, and in the United Kingdom, our future products also may be subject to extensive regulatory requirements. As in the United States, medicinal products can be marketed only if a marketing authorization from the relevant competent authority has been obtained.

Similar to the United States, the various phases of preclinical and clinical research in the EEA and United Kingdom are subject to significant regulatory controls. The EU Clinical Trials Directive 2001/20/EC (the “Directive”) sought to harmonize the EU clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the EU, the EU Member States have transposed and applied the provisions of the Directive differently into their national laws, including in the UK. This has led to significant variations in the Member State regimes. Under this regime, before a clinical trial can be initiated it must be approved in each of the EU/UK countries where the trial is to be conducted by two distinct bodies: the National Competent Authority (the “NCA”), and one or more Ethics Committees (“ECs”). Under this regime all suspected unexpected serious adverse reactions to the investigated drug that occur during the clinical trial have to be reported to the NCA and ECs of the country where they occurred.

The EU clinical trials legislation is undergoing a transition process due to the application of a new Clinical Trials Regulation (EU) No 536/2014 (the “Regulation”), which is mainly aimed at harmonizing and streamlining clinical trial authorization, simplifying adverse-event reporting procedures, improving the supervision of clinical trials and increasing their transparency. In April 2014, the EU adopted the Regulation, which started to apply on January 31, 2022 and replaced the current Directive. Specifically, the new Regulation, which is directly applicable in all Member States without the need for EU Member States to transpose it into national law, aims at simplifying and streamlining the approval of clinical trials in the EU. For instance, the new Regulation provides for a streamlined application procedure via a single entry point and strictly defined deadlines for the assessment of clinical trial applications.

Following Brexit, this Regulation is not applicable in the UK, and the national legislation put in place to implement the Directive continues to apply to trials conducted in the UK.

European Union and United Kingdom Drug Marketing

Much like the federal Anti-Kickback Statute prohibition in the United States, the provision of benefits or advantages to physicians and/or healthcare organizations to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order, administration or use of medicinal products is also prohibited in the EEA and United Kingdom. EU Directive 2001/83/EC, which is the Directive governing medicinal products for human use, as implemented in the relevant Member State and the UK, the national anti-bribery laws of the European Union Member States, and the Bribery Act 2010 in the UK, as well as the industry Codes of Practice that are based on the European Federation of Pharmaceutical Industries and Associations (EFPIA) Code of Practice, collectively govern the provision of benefits or advantages to induce or reward improper performance. Infringement of these laws could result in substantial fines and imprisonment. EU Directive 2001/83/EC further provides that, where medicinal products are being promoted to persons qualified to prescribe or supply them, no gifts, pecuniary advantages or benefits in kind may be supplied, offered or promised to such persons unless they are inexpensive and relevant to the practice of medicine or pharmacy. This provision has been transposed into the national laws of the EU Member States, as well as in the UK Human Medicines Regulations 2012 and so remains applicable in the UK despite its departure from the EU.

Depending on the applicable national rules in the EU Member States and the UK, payments and other transfers of value made to physicians, physician associations, medical students, healthcare organizations, patient organizations and other stakeholders in the EU Member States, the UK and Member States of the EEA must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician’s employer, his or her competent professional organization and/or the regulatory authorities of the individual country. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in the relevant country. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

European Union and United Kingdom Drug Review and Approval

In the EEA, medicinal products can only be commercialized after obtaining a marketing authorization (“MA”). There are two main types of marketing authorizations for innovative medicinal products, which, however, are based on largely identical regulatory rules, requirements and timelines, including the requirements concerning the presentation and content of the application for marketing authorization.

- The centralized MA is issued by the European Commission through the centralized procedure, based on the opinion of the Committee for Medicinal Products for Human Use (the “CHMP”), of the EMA, and is valid throughout the entire territory of the EEA. The centralized procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, advanced-therapy medicinal products (gene-therapy, somatic cell-therapy or tissue-engineered medicines) and medicinal products containing a new active substance indicated for the treatment of HIV, AIDS, cancer, neurodegenerative disorders, diabetes, auto-immune and other immune dysfunctions and viral diseases. The centralized procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EEA.
- National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the centralized procedure. If a product is to be authorized in more than one Member State, the assessment procedure is coordinated between the relevant EU Member States. Where a product has already been authorized for marketing in a Member State of the EEA, the national MA can be recognized in another Member States through the mutual recognition procedure. If the product has not received a national MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the decentralized procedure. Under the decentralized procedure an identical dossier is submitted to the competent authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State (the “RMS”). The competent authority of the RMS coordinates the preparation of a draft assessment report, a draft summary of the product characteristics (the “SmPC”), and a draft of the labeling and package leaflet, which are sent to the other Member States (referred to as the Concerned Member States) for their final approval. If the Concerned Member States raise no objections, based on a potential serious risk to public health, to the assessment, SmPC, labeling, or packaging circulated by the RMS, the coordinated procedures is closed, and the product is subsequently granted a national MA in all the Member States (i.e., in the RMS and the Concerned Member States).

Under the above-described procedures, during the assessment of the documents submitted in the MAA and before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

Now that the United Kingdom (which comprises Great Britain and Northern Ireland) has left the European Union, Great Britain is no longer covered by centralized MAs (under the Northern Irish Protocol of the Withdrawal Agreement, centralized MAs will continue to apply in Northern Ireland, although this may change if the Windsor Agreement is implemented). All medicinal products with a valid centralized MA as of December 31, 2020 were automatically converted to MAs valid in Great Britain on January, 1 2021 (unless the MA holder opted out of this procedure). For a period of three years from January 1, 2021 (although this may be further extended), the Medicines and Healthcare products Regulatory Agency (the “MHRA”), the UK medicines regulator, may rely on a decision taken by the European Commission on the approval of a new MA in the centralized procedure, in order to more quickly grant a new MA valid in Great Britain. A separate application will, however, still be required and the MHRA has the right to undertake its own assessment of the dossier. The MHRA also has the power to have regard to MAs approved in EEA Member States through decentralized or mutual recognition procedures with a view to more quickly granting a MA in the United Kingdom or Great Britain.

European Union and United Kingdom Data Protection and Market Exclusivity

In the EEA and UK, innovative medicinal products, approved on the basis of a full dossier of preclinical and clinical data as part of the MAA, qualify for eight years of data protection upon marketing authorization and an additional two years of market exclusivity. The data protection, if granted, prevents generic or biosimilar applicants from referencing the innovator's preclinical and clinical trial data contained in the dossier of the reference innovative product when applying for a generic or biosimilar MA in the EEA/UK, for a period of eight years from the date of authorization of the reference product. During the additional two-year period of market exclusivity, a generic or biosimilar marketing authorization application can be submitted, and the innovator's data may be referenced, but no generic or biosimilar product can be marketed until the expiration of the market exclusivity. The overall ten-year period can be extended to a maximum of 11 years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are determined to bring a significant clinical benefit in comparison with currently approved therapies. Even if an innovative medicinal product gains the prescribed period of data protection, however, another company may market another version of the product if such company obtained a MA based on a marketing authorization application with a complete independent data package of pharmaceutical tests, preclinical tests and clinical trials (i.e. without cross-referencing to the data within the reference innovative product).

European Union and United Kingdom Orphan Designation and Exclusivity

In the EEA, the European Commission, based on the scientific assessment from the EMA's Committee for Orphan Medicinal Products, grants orphan drug designation to promote the development of products that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions and either (i) such condition affects not more than five in 10,000 persons in the EEA, or (ii) it is unlikely that the development of the medicine would generate sufficient return to justify the necessary investment in its development. In either case, the applicant must also demonstrate that no satisfactory method of diagnosis, prevention or treatment has been authorized (or, if a method exists, the product would be a significant benefit to those affected compared to the product available).

In the EEA, orphan drug designation entitles a party to benefits such as scientific advice (protocol assistance) and financial incentives such as reduction of fees or fee waivers. In addition, if the criteria for orphan designation are found to be maintained at the time of authorization of the product, ten years of market exclusivity is granted following grant of an orphan marketing authorization. During this market exclusivity period, neither the EMA nor the European Commission nor any of the competent authorities in the EEA Members States can accept an application or grant a marketing authorization for a "similar medicinal product" for the same indication. A "similar medicinal product" is defined as a medicinal product containing a similar active substance or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. This orphan exclusivity period may be reduced to six years if the orphan drug designation criteria are no longer met, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity. Market exclusivity may also be broken, so a similar product may be authorized for the same indication, in very select cases, such as if (i) it is established that a similar medicinal product is safer, more effective or otherwise clinically superior to the authorized product; (ii) the marketing authorization holder consents to the grant of the similar product; or (iii) the marketing authorization holder cannot supply enough orphan medicinal product. Orphan drug designation must be requested before submitting an application for marketing approval. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

On April 26, 2023, as part of the EU Pharmaceutical Strategy, the European Commission published a proposal for a comprehensive revision of the EU pharmaceutical legislation. If adopted by the European Parliament and the Council, the new legislation is likely to significantly change the regulatory regime applicable to orphan exclusivities and reduce/modulate the rewards that could be granted to orphan medicinal products. In addition, the proposal envisages changes to the concept of unmet medical need and considers introducing novel rewards for orphan medical products addressing high unmet medical need. The adoption of the new legislation is not expected before 2024 and it will start to apply 18 months after the entry in force.

From January 1, 2021, a separate process for orphan drug designation has applied in Great Britain. There is no pre-marketing authorization orphan designation step required (as there is in the EEA), and the application for orphan designation will be reviewed by the MHRA at the time of the marketing authorization application. The criteria are the same as in the EEA, save that they apply to Great Britain only (e.g., there must be no satisfactory method of diagnosis, prevention or treatment of the condition concerned in Great Britain). Orphan exclusivity granted to a centralized marketing authorization will also apply in Northern Ireland (although this may change if the Windsor Agreement is implemented).

European Union and United Kingdom Pediatric Investigation Plan

In the EEA and UK, MAAs for new medicinal products have to include the results of studies conducted in the pediatric population, in compliance with a pediatric investigation plan (a "PIP"), agreed with the EMA's Pediatric Committee (a "PDCO") or MHRA as relevant. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the drug for which marketing authorization is being sought. The PDCO/MHRA can grant a deferral of the obligation to implement some or all of the measures of the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in adults. Further, the obligation to provide pediatric clinical trial data can be waived by the PDCO/MHRA when this data is not needed or appropriate because the product is likely to be ineffective or unsafe in children, the disease or condition for which the product is intended occurs only in adult populations, or when the product does not represent a significant therapeutic benefit over existing treatments for pediatric patients. If a marketing authorization is obtained and trial results are included in the product information, even when negative, and the product is approved in all Member States, non-orphan products are eligible for six months' supplementary protection certificate extension. In the case of orphan medicinal products, a two-year extension of the orphan market exclusivity may be available. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

As noted above, the upcoming legislative reforms in the EU, which are part of the new EU Pharmaceutical Strategy may potentially result in a reduction of the above pediatric rewards and/or imposition of additional requirements for grant of rewards.

European Union and United Kingdom data protection regime

The processing of personal data, including health data, in the EEA is governed by the General Data Protection Regulation (the “GDPR”), which became effective May 25, 2018. The GDPR applies to any company established in the EEA and to companies established outside the EEA that process personal data in connection with the offering of goods or services to data subjects in the European Union or EEA or the monitoring of the behavior of data subjects in the European Union or EEA. The GDPR enhances data protection obligations for data controllers of personal data, including *inter alia* stringent requirements relating to lawful and legitimate basis and purposes for the processing of personal data, the consent of data subjects, expanded disclosures about how personal data is used, requirements to conduct privacy impact assessments for “high risk” processing, limitations on retention of personal data, appointment of a data protection officer, conclusion of data processing agreements, mandatory data breach notification and “privacy by design” requirements, and creates direct obligations on service providers acting as data processors. The GDPR also imposes strict rules on the transfer of personal data outside of the EEA to countries that do not ensure an adequate level of protection, like the United States. Until recently, one such data transfer mechanism was the EU-US Privacy Shield, but the Privacy Shield was invalidated for international transfers of personal data in July 2020 by the CJEU. The CJEU upheld the validity of standard contractual clauses (“SCCs”) as a legal mechanism to transfer personal data but companies relying on SCCs will, subject to additional guidance from regulators in the EEA and the U.K., need to evaluate and implement supplementary measures that provide privacy protections additional to those provided under SCCs. It remains to be seen whether SCCs will remain available and whether additional means for lawful data transfers will become available. Moreover, the competent authorities and courts in a number of EU Member States increasingly scrutinize and question the GDPR compliance of processing of personal data by US-based entities or entities with links to US-based entities, independently of whether personal data is actually transferred outside the EEA. Failure to comply with the requirements of the GDPR and the related national data protection laws of the EEA Member States may result in fines up to €20 million or 4% of a company’s global annual revenues for the preceding financial year, whichever is higher. Moreover, the GDPR grants data subjects the right to claim material and non-material damages resulting from infringement of the GDPR. In June 2021, the CJEU issued a ruling that expanded the scope of the “one stop shop” under the GDPR. According to the ruling, the competent authorities of EU Member States may, under certain strict conditions, bring claims to their national courts against a company for breaches of the GDPR, including unlawful cross-border processing activities, even such company does not have an establishment in the EU member state in question and the competent authority bringing the claim is not the lead supervisory authority. In March 2022, the U.S. and EU announced a new regulatory regime intended to replace the invalidated Privacy Shield. This new EU-U.S. Data Privacy Framework has not been implemented beyond an executive order signed by President Biden on October 7, 2022 on Enhancing Safeguards for United States Signals Intelligence Activities. The European Commission issued a draft adequacy decision on December 13, 2022. It is currently unclear if the draft adequacy decision will be adopted at EU level and whether the anticipated legal challenges against this decision, which may be similar to the challenge that led to the invalidation of the Privacy Shield, would be successful. In a related vote on May 11, 2023, the European Parliament adopted a resolution calling on the European Commission not to adopt the adequacy decision in its present form but to continue negotiations with the U.S. to ensure that the new framework addresses the concerns expressed by the CJEU. The European Parliament’s resolution is not binding on the Commission but it will be taken into account by the Commission when considering its adequacy decision.

In addition, further to the United Kingdom’s exit from the European Union on January 31, 2020, the GDPR ceased to apply in the United Kingdom at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the United Kingdom’s European Union (Withdrawal) Act 2018 incorporated the GDPR (as it existed on December 31, 2020 but subject to certain UK specific amendments) into UK law, referred to as the UK GDPR. The UK GDPR and the UK Data Protection Act 2018 set out the United Kingdom’s data protection regime, which is independent from but aligned to the European Union’s data protection regime. Non-compliance with the UK GDPR may result in monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher. With respect to transfers of personal data from the EEA to the United Kingdom, on June 28, 2021 the European Commission issued an adequacy decision in respect of the UK’s data protection framework, enabling data transfers from EU member states to the UK to continue without requiring organizations to put in place contractual or other measures in order to lawfully transfer personal data between the territories. While it is intended to last for at least four years, the adequacy decision will automatically expire in June 2025 unless the European Commission renews or extends it and may be modified or unilaterally revoked in the interim at any point, and if this occurs it could lead to additional costs and increase our overall risk exposure.

Rest of the World Regulation

For other countries outside of the European Union and the United States, such as countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country. Additionally, the clinical trials must be conducted in accordance with GCP requirements and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and

Additional Laws and Regulations Governing International Operations

If we further expand our operations outside of the United States, we must dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate. The U.S. Foreign Corrupt Practices Act (the “FCPA”), prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions. Further, other anti-corruption laws, such as the UK Bribery Act, are broader and can regulate payments to non-governmental entities.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the United States, it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain products and product candidates outside of the United States, which could limit our growth potential and increase our development costs.

The failure to comply with laws governing international business practices may result in substantial civil and criminal penalties and suspension or debarment from government contracting. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA’s accounting provisions.

Coverage and Reimbursement

Successful commercialization of new drug products depends in part on the extent to which reimbursement for those drug products will be available from government programs, such as Medicare and Medicaid, private health insurers, and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drug products they will pay for and establish reimbursement levels. The availability and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford a drug product. Sales of drug products depend substantially, both domestically and abroad, on the extent to which the costs of drugs products are covered or paid for by the federal or national government as well as commercial managed care organizations, pharmacy benefit managers, and similar healthcare management organizations.

A primary trend in the U.S. healthcare industry and elsewhere is cost containment, and efforts of third-party payors to contain or reduce health care costs may adversely affect our ability to establish or maintain appropriate prices for our products or any drugs that we may develop and commercialize. Such efforts include the use of accumulator adjustment programs that do not consider amounts paid by pharmaceutical copay assistance programs as counting towards a patient’s deductible or other out-of-pocket costs. Under new rules promulgated by CMS that would have taken effect January 1, 2023, such accumulator adjustment (or similar) programs could affect the amount of rebates owed by manufacturers under the Medicaid Drug Rebate Program or affect our ability to offer various forms of patient support, including copay assistance. However, this regulation was struck down in Federal court in May 2022. At the same time, however, certain states have passed laws prohibiting third-party payors from utilizing accumulator programs.

Government authorities and third-party payors also have attempted to control costs by limiting coverage and the amount of reimbursement for particular drug products. In many countries, the prices of drug products are subject to varying price control mechanisms as part of national health systems. In general, the prices of drug products under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for drug products, but monitor and control company profits. Accordingly, in markets outside the United States, the acquisition costs and reimbursement for drug products may lower than within the United States.

In the United States, the decisions about reimbursement for new drug products under the Medicare program are made by CMS, an agency within HHS. CMS determines coverage standards for products reimbursed by Medicare, and private payors often adopt coverage standards established by CMS for the commercial marketplace. However, no uniform policy of coverage and reimbursement for drug products exists among third-party payors and coverage and reimbursement levels for drug products can differ significantly from payor to payor.

Third-party payors may limit coverage to specific products on an approved list or formulary, which might not include all of the FDA-approved products for a particular indication. Also, third-party payors may refuse to include a particular branded drug on their formularies or otherwise restrict patient access to a branded drug when a less costly generic equivalent or another alternative is available. Third-party payors are increasingly challenging the prices charged for medical products and services, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Further, due to the COVID-19 pandemic, millions of individuals have lost or are expected to lose employer-based insurance coverage, which may adversely affect our ability to successfully commercialize our products.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the “MMA”), established the Medicare Part D program to provide a voluntary prescription drug benefit to Medicare beneficiaries. Under Part D, Medicare beneficiaries may enroll in prescription drug plans offered by private entities that provide coverage of outpatient prescription drugs. Unlike Medicare Parts A and B, Part D coverage is not standardized. While all Medicare drug plans must give at least a standard level of coverage set by Medicare, Part D prescription drug plan sponsors are not required to pay for all covered Part D drugs, and each drug plan can develop its own drug formulary that identifies which drugs it will cover and at what tier or level. However, Part D prescription drug formularies must include drugs within each therapeutic category and class of covered Part D drugs, though not necessarily all the drugs in each category or class. Any formulary used by a Part D prescription drug plan must be developed and reviewed by a pharmacy and therapeutic committee. Government payment for some of the costs of prescription drugs may increase demand for drugs for which we obtain marketing approval. Any negotiated prices for any of our products covered by a Part D prescription drug plan will likely be lower than the prices we might otherwise obtain. Moreover, while the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in payment that results from the MMA may result in a similar reduction in payments from non-governmental payors.

For a drug product to receive federal reimbursement under the Medicaid or Medicare Part B programs, a manufacturer must enter into agreements with the Secretary of HHS to participate in the Medicaid Drug Rebate Program and the 340B drug discount program. Under the Medicaid Drug Rebate Program, manufacturers are obligated to pay rebates to the State Medicaid Programs on each unit of the manufacturer’s drugs that are reimbursed by State Medicaid Programs—both with regard to Medicaid Fee for Service and Medicaid Managed Care. Additionally, under the 340B drug discount program, manufacturers extend discounts to “covered entities” eligible to participate in the 340B program, including various hospital providers. The required 340B discount on a given product is calculated based on the average manufacturer price (“AMP”) and Medicaid rebate amounts reported and paid by the manufacturer under the Medicaid Drug Rebate Program. As of 2010, the ACA expanded the types of entities eligible to receive discounted 340B pricing, although under current law these newly eligible entities (with the exception of children’s hospitals) will not be eligible to receive discounted 340B pricing on drugs that receive an orphan designation by the FDA. As 340B drug pricing is determined based on AMP and Medicaid rebate data, revisions to the statute and regulations governing the Medicaid Drug Rebate Program may cause the required 340B discount to increase. Additional legislation surrounding the 340B program, including which providers are eligible for the program, may be enacted in the future. These developments could affect our profitability.

Moreover, there also is significant uncertainty related to the insurance coverage and reimbursement of cell or genetic therapy products. Although a new rule finalized by CMS for the Medicaid Drug Rebate Program increased flexibility regarding the manner in which manufacturers may offer value-based discounting arrangements, and following a regulatory delay, took effect on July 1, 2022.

The American Recovery and Reinvestment Act of 2009 provides funding for the federal government to compare the effectiveness of different treatments for the same illness. The plan for the research was published in 2012 by the Department of HHS, the Agency for Healthcare Research and Quality and the National Institutes for Health, and periodic reports on the status of the research and related expenditures are made to Congress. Although the results of the comparative effectiveness studies are not intended to mandate coverage policies for public or private payors, it is not clear what effect, if any, the research will have on the sales of our drug candidates, if any such drug or the condition that they are intended to treat are the subject of a trial. It is also possible that comparative effectiveness research demonstrating benefits in a competitor's drug could adversely affect the sales of our drug candidate. If third-party payors do not consider our drugs to be cost-effective compared to other available therapies, they may not cover our drugs after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our drugs on a profitable basis.

These laws, and future state and federal healthcare reform measures may be adopted in the future, any of which may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used.

Outside of the United States, the pricing of pharmaceutical products and medical devices is subject to governmental control in many countries. For example, in the European Union and UK, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost effectiveness of a particular therapy to currently available therapies or so-called health technology assessments, in order to obtain reimbursement or pricing approval. Other countries may allow companies to fix their own prices for products, but monitor and control product volumes or the amount of profit made on those profits, and issue guidance to physicians to limit prescriptions. Efforts to control prices and utilization of pharmaceutical products and medical devices will likely continue as countries attempt to manage healthcare expenditures.

Human Capital Management

As of March 31, 2023, we and our subsidiaries had approximately 904 full-time employees, including 825 in the United States.

Our human capital objectives include sourcing, recruiting, retaining, incentivizing and developing our existing and future employees. We believe we can achieve our human capital objectives by implementing the following approaches:

- Hire diverse, multidisciplinary talent across seniority levels with backgrounds represented from industries within and outside of biopharma with an in-house talent acquisition team
- Invest in early career diversity by recruiting a robust Roivant Analyst (RA) program for recent college graduates with representation from top private and public institutions
- Offer highly competitive short- and long-term incentives through both Roivant and Vant equity programs and meaningful performance-based bonuses
- Undertake rigorous analysis in partnership with third parties to ensure best compensation practices including internal and external benchmarking and yearly gender pay gap analyses
- Unlock unique career progression across Roivant and Vants through “Vant mobility” and offer unparalleled leadership opportunities for employees through the Vant model
- Cultivate diversity and inclusion among our employee base through Employee Resource Groups (ERGs), including Women@Roivant (Roivant's women's employee resource group), ROI-GBIV (Roivant's LGBTQ+ employee resource group), and BIPOC (Roivant's black, indigenous and people of color employee resource group)

In addition to these specific recruitment and retention practices above, we believe the Vant model offers significant human capital advantages. Our nimble, entrepreneurial Vants operate similarly to independent biotechnology companies where each management team, comprised of world-class drug developers and clinical operators, is solely focused on their respective Vant's mission. Our and our Vants' equity incentive plans are designed to attract, retain and motivate selected employees, consultants and directors through the granting of share-based compensation awards to encourage focus and calculated risk-taking. As a public company, we expect to continue to hire additional personnel and to implement procedures and processes to address public company regulatory requirements and customary practices.

Corporate and Other Information

We were registered as an exempted limited company in Bermuda in 2014, under the name Valor Biotechnology Ltd. In November 2014 we changed our name to Roivant Sciences Ltd. Our principal executive offices are located at 7th Floor, 50 Broadway, London SW1H 0DB, United Kingdom. Our telephone number is +44 207 400 3347.

Our web page address is <https://roivant.com>. Our investor relations website is located at <https://investor.roivant.com/>. We will make available free of charge on our investor relations website under “SEC Filings” our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, our directors’ and officers’ Section 16 Reports and any amendments to those reports after filing or furnishing such materials to the SEC. Additionally, the SEC maintains an internet site that contains reports, proxy and information statements and other information. The address of the SEC’s website is www.sec.gov. References to our website address do not constitute incorporation by reference of the information contained on the website, and the information contained on the website is not part of this document or any other document that we file with or furnish to the SEC.

We are an “emerging growth company” (an “EGC”), as defined in the Jumpstart Our Business Startups Act of 2012. As an EGC, we are eligible for exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and reduced disclosure obligations regarding executive compensation.

ITEM 1A. RISK FACTORS

Our business involves a high degree of risk. You should carefully consider the risks described below, together with the other information contained in this Annual Report on Form 10-K, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes, as well as the risks, uncertainties and other information set forth in the reports and other materials filed or furnished by us and our majority-controlled subsidiary, Immunovant, Inc. (“Immunovant”), with the SEC. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, prospects, results of operations, financial condition and cash flows. If any such events were to happen, the trading shares of our Common Shares could decline, and you could lose all or part of your investment. Unless the context otherwise requires, references in this section to “we,” “us,” “our,” “Roivant” and the “Company” refer to Roivant Sciences Ltd. and its subsidiaries and affiliates, as the context requires.

Risks Related to Our Business and Industry

Risks Related to Our Financial Position and Strategy

Our limited operating history and the inherent uncertainties and risks involved in biopharmaceutical product development may make it difficult for us to execute on our business model and for you to assess our future viability. We have not generated significant revenue from our operations since inception, and there is no guarantee that we will do so in the future.

We are a commercial-stage biopharmaceutical and healthcare technology company with a limited operating history upon which you can evaluate our business and prospects. We were formed in April 2014, and our operations to date have primarily been limited to acquiring or in-licensing product candidates, pursuing the clinical development and commercialization of those product candidates, efforts to discover new product candidates, financing activities and the creation or acquisition of healthcare technology companies and products, as well as the oversight and management of our subsidiaries developing and commercializing medicines, which we refer to as “Vants.”

Last year, following the approval by the U.S. Food and Drug Administration (the “FDA”) in May 2022 of VTAMA[®] (tapinarof) for the treatment of adults with plaque psoriasis, we commenced our transition from a clinical-stage to a company with commercial-stage assets. VTAMA is not currently approved in any other jurisdictions and we do not have any other product candidates that have received regulatory approvals in the U.S. or in any other jurisdiction.

Our ability to execute on our business model and generate revenues depends on a number of factors, including our ability to:

- successfully continue to commercialize VTAMA;
- identify new acquisition or in-licensing opportunities;
- successfully complete ongoing preclinical studies and clinical trials and obtain regulatory approvals for our current and future products and product candidates;
- successfully identify new product candidates through our discovery efforts and advance those product candidates into preclinical studies and clinical trials;
- successfully grow our healthcare technology Vants and market the products and services offered by those Vants;
- raise additional funds when needed and on terms acceptable to us;
- attract and retain experienced management and advisory teams;
- add operational, financial and management information systems and personnel, including personnel to support clinical, preclinical manufacturing and commercialization efforts and operations;
- launch commercial sales of future product candidates, whether alone or in collaboration with others, including establishing sales, marketing and distribution systems;
- initiate and continue relationships with third-party suppliers and manufacturers and have commercial quantities of products and product candidates manufactured at acceptable cost and quality levels and in compliance with FDA and other regulatory requirements;
- set acceptable prices for products and product candidates and obtain coverage and adequate reimbursement from third-party payors;
- achieve market acceptance of products and product candidates in the medical community and with third-party payors and consumers; and

- maintain, expand and protect our intellectual property portfolio.

If we cannot successfully execute on these objectives, our business may not succeed and the price of our Common Shares may be negatively impacted.

Because of the numerous risks and uncertainties associated with biopharmaceutical product development and commercialization, we are unable to predict when and if our products and product candidates will achieve various milestones in their clinical development, including marketing approval from the FDA or other regulatory authorities, the timing or amount of increased expenses related to these activities or when we will be able to generate meaningful revenues or achieve or maintain profitability, if ever. Our expenses could increase beyond expectations if we are required by the FDA or other regulatory authorities to perform studies or clinical trials in addition to those that are currently anticipated or to otherwise provide data beyond that which we currently believe is necessary to support an application for marketing approval or to continue clinical development in the U.S. or another jurisdiction, or if there are any delays in any of our or our future collaborators' clinical trials or the development of our product candidates that we may identify. We anticipate incurring significant costs associated with commercializing VTAMA and any future product candidates, if approved, and advancing our ongoing clinical trials and discovery efforts until our revenue from product sales of VTAMA and any other approved products exceeds such expenses, which may never occur.

We may never achieve or maintain profitability.

Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to gain regulatory approval or become commercially viable. While we have received regulatory approval for one product candidate, VTAMA for the treatment of adults with plaque psoriasis in the U.S., we have yet to receive marketing approval for any of our other product candidates anywhere in the world and we have not generated significant product revenues from the commercial sale of our biopharmaceutical products. We cannot estimate with precision the extent of our future losses. Since inception, we have incurred significant losses and negative cash flows from operations. As of March 31, 2023, we had cash and cash equivalents of approximately \$1.7 billion and an accumulated deficit of approximately \$3.8 billion.

We may never be able to develop new marketable drugs, successfully commercialize a marketable drug or achieve profitability. To become profitable, we must succeed in developing and commercializing products that generate significant revenue. Revenue from the sale of any products or product candidate for which regulatory approval is obtained will be dependent, in part, upon the size of the markets in the territories for which we have or may gain regulatory approval, the accepted price for the product, the ability to obtain reimbursement at any price, the strength and term of patent exclusivity for the product, the competitive landscape of the product market, and whether we own the commercial rights for that territory. For example, even though VTAMA for the treatment of adults with plaque psoriasis has received regulatory approval in the U.S., we can provide no assurances that we will be able to achieve profitability based on sales in that indication alone or that we will be able to receive approval of and commercialize VTAMA for other indications or in other jurisdictions. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to achieve sustained profitability would depress the value of our company and could impair our ability to raise capital, expand our business, expand our pipeline, market our products and, if approved, product candidates, and continue our operations. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our shareholders' equity and working capital.

We may never generate meaningful product revenue from the commercial sales of our products or, if approved, product candidates or achieve or maintain profitability. It is possible that we will continue to incur substantial operating losses for the foreseeable future. Our ability to generate meaningful product revenue and achieve profitability is dependent on our ability to complete the development of our products and product candidates, obtain necessary regulatory approvals for our current and future products and product candidates and manufacture and successfully market our current and future products and product candidates alone or in collaboration with others.

We will require additional capital to fund our operations, and if we fail to obtain necessary financing, we may not be able to successfully market our products, acquire or in-license new products or product candidates, complete the development and commercialization of our products and product candidates and continue to pursue our drug discovery efforts.

Acquiring or in-licensing, discovering, developing, commercializing and marketing biopharmaceutical products and product candidates is expensive and time consuming, and we expect to require additional capital to pursue these activities. We are also responsible for payments to third parties under our license and acquisition agreements, including milestone and royalty payments. Because of the inherent uncertainties in these activities – including the outcome of preclinical and clinical trials and the regulatory approval process – we cannot reasonably estimate the actual amounts necessary to successfully complete the development, regulatory approval process and commercialization of our current and future products and product candidates.

Our future funding requirements, both near- and long-term, will depend on many factors, including, but not limited to:

- the time and costs necessary to complete our ongoing, planned and future clinical trials;
- the time and costs necessary to pursue regulatory approvals for our current and future product candidates;
- the costs associated with future acquisitions or in-licensing transactions;
- the approval, progress, timing, scope and costs of our preclinical studies, clinical trials and other related activities, including the ability to enroll patients in a timely manner for our ongoing and planned clinical trials and potential future clinical trials;
- the costs associated with our ongoing, planned and future preclinical studies and other drug discovery activities;
- our ability to successfully identify and negotiate acceptable terms for third-party supply and contract manufacturing agreements with contract manufacturing organizations (“CMOs”);
- the costs of obtaining adequate clinical and commercial supplies of raw materials and drug products for our products and product candidates;
- our ability to successfully commercialize VTAMA, including:
 - the manufacturing, selling and marketing costs associated with VTAMA, including the cost and timing of expanding sales and marketing capabilities or entering into strategic collaborations with third parties; and
 - the amount and timing of sales and other revenues from VTAMA, including the sales price and the availability of adequate third-party reimbursement;
- the cost of filing, prosecuting, defending and enforcing our patent claims and other intellectual property rights, including current and future patent infringement actions brought against third parties;
- the cost of pursuing and defending potential intellectual property disputes, including patent infringement actions with third parties relating to our current or future products or product candidates; and
- our ability to hire, attract and retain qualified personnel.

We cannot be certain that additional capital will be available to us or the Vants on acceptable terms, or at all. If we or the Vants are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue our in-licensing and acquisition, discovery, development, commercialization and marketing activities. In addition, attempting to secure additional capital may divert the time and attention of our management from day-to-day activities and harm our business. Because of the numerous risks and uncertainties associated with our business, we are unable to estimate the amounts of increased capital outlays, operating expenditures and capital requirements associated with our current and future product development programs and discovery efforts. Moreover, risks associated with broader market conditions, including high levels of inflation, rising interest rates and increasing market and banking sector instability and volatility, all of which have been observed in recent periods, may further adversely impact our ability to obtain financing on acceptable terms or at all.

We expect that significant additional capital will be needed in the future to continue our planned operations. Until such time, if ever, that we can generate substantial revenues, we expect to continue to finance our cash needs through a combination of equity offerings, debt financings, strategic alliances and license and development agreements or other collaborations at Roivant and the Vants. To the extent that we raise additional capital by issuing equity securities at Roivant or the Vants, our existing shareholders’ ownership, or our ownership in the Vants, may experience substantial dilution, and the terms of these securities may include liquidation or other preferences that could harm the rights of our shareholders. Additionally, any agreements for future debt or preferred equity financings, if available, may involve covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our products and product candidates, future revenue streams, research programs or technologies or grant licenses on terms that may not be favorable to us. The foregoing restrictions associated with potential sources of additional capital may make it more difficult for us to raise additional capital or to pursue business opportunities, including potential acquisitions.

If adequate funds are not available to us, we may be required to forego potential in-licensing or acquisition opportunities, delay, limit or terminate one or more development or discovery programs, scale back marketing efforts for our current and future products or be unable to expand operations or otherwise capitalize on business opportunities, which could materially affect our business, prospects, financial condition and results of operations.

We have limited experience as a commercial company and the marketing and sale of VTAMA or any future products may be unsuccessful or less successful than anticipated.

In May 2022, the FDA approved VTAMA for the treatment of adults with plaque psoriasis in the U.S. While we have launched VTAMA in the U.S., we have limited experience as a commercial company and therefore face significant risks and uncertainties relating to the commercialization of VTAMA and any future products that receive marketing approval in the U.S. or another jurisdiction, including:

- our ability to recruit and retain effective sales, marketing and customer service personnel;
- our ability to obtain and retain access to physicians or persuade adequate numbers of physicians to prescribe VTAMA and any future products;
- the inability to manufacture and to price VTAMA and any future products at a price point sufficient to ensure an adequate and attractive level of profitability;
- the extent to which coverage and adequate reimbursement for VTAMA and any future products will be available from government health administration authorities, private health insurers and other organizations;
- the risks associated with potential co-promotion or partnership agreements, including the failure to realize the expected benefits of such arrangements; and
- other unforeseen costs, expenses and risks associated with the commercialization of biopharmaceutical products, including compliance costs.

In addition, in connection with our continued commercialization of VTAMA, we expect to continue to increase the amount of cash we spend in order to expand our commercial infrastructure. To the extent that we are able to gain regulatory approval for VTAMA in any other jurisdiction besides the U.S. or to gain regulatory approval for any of our other product candidates in any jurisdiction, we would expect to incur additional increased cash costs.

Our limited experience as a commercial-stage company means that there is limited information about our ability to overcome many of the risks and uncertainties encountered by companies commercializing products in the biopharmaceutical industry, including those outlined herein. Further, given our limited experience of commercializing products, we do not have a track record of successfully executing on the commercialization of an approved product. As we continue to develop and seek regulatory approval of additional products and product candidates, as well as additional indications for VTAMA, and to pursue regulatory approvals for VTAMA and other products and product candidates outside the U.S., it could be difficult for us to obtain and devote the resources necessary to successfully manage our commercialization efforts. If we are unable to manage the risks and uncertainties associated with the commercialization of VTAMA and any future products or product candidates that receive marketing approval, we may be unable to generate significant revenues from the sales of these products and product candidates to achieve profitability, which will materially affect our business, prospects, financial condition and results of operations.

Our inability to successfully commercialize VTAMA or the failure of any of our product candidates in ongoing or future clinical trials or preclinical studies, in addition to having a direct adverse impact on our business and prospects, could also have a lasting negative impact on our reputation, which could, in turn, impact our ability to successfully enter into future licensing arrangements or other transactions with potential counterparties, raise future capital or attract key personnel to join us. As a result, our business and prospects would be materially harmed and our results of operations and financial condition would likely suffer materially.

Our business is dependent to a significant extent on the successful commercialization of VTAMA and the development, regulatory approval, and commercialization of our current product candidates.

We currently have one product approved by the FDA - VTAMA, which was approved for the treatment of plaque psoriasis in adults in the U.S. The success of our business, including our ability to finance our company and generate any revenue in the future, will depend to a significant extent on the successful commercialization of VTAMA and the successful development, regulatory approval, and commercialization of other product candidates. The commercial success of VTAMA and the clinical and commercial success of other product candidates will depend on a number of factors, including the following:

- our ability to successfully implement and execute on a marketing strategy for VTAMA and to commercialize any of our product candidates in the United States and internationally, if approved, whether alone or in collaboration with others;
- acceptance by physicians, payers, and patients of the benefits, safety, and efficacy of VTAMA or any product candidates, if approved, including relative to alternative and competing treatments;

- timely completion of our nonclinical studies and clinical trials, which may be significantly slower or cost more than we currently anticipate and will depend substantially upon the performance of third-party contractors;
- whether we are required by the FDA or similar foreign regulatory authorities to conduct additional clinical trials or other studies beyond those planned to support the approval and commercialization of our product candidates or any future product candidates;
- acceptance of our proposed indications and primary and secondary endpoint assessments relating to the proposed indications of our product candidates by the FDA and similar foreign regulatory authorities;
- the prevalence, duration, and severity of potential side effects or other safety issues experienced with VTAMA or our product candidates;
- the timely receipt of necessary marketing approvals from the FDA and similar foreign regulatory authorities;
- achieving, maintaining, and, where applicable, ensuring that our third-party contractors achieve and maintain, compliance with our contractual obligations and with all regulatory requirements applicable to VTAMA or any of our product candidates;
- the willingness of physicians and patients to utilize or adopt VTAMA and our product candidates, if approved;
- the ability of third parties upon which we rely to manufacture clinical trial and commercial supplies of VTAMA or any of our product candidates to remain in good standing with relevant regulatory authorities and to develop, validate, and maintain commercially viable manufacturing processes that are compliant with Current Good Manufacturing Practice (“cGMP”);
- the availability of coverage and adequate reimbursement from private third-party payers and governmental healthcare programs, such as Medicare and Medicaid;
- patient demand for any approved products;
- our ability to establish and enforce intellectual property rights in and to any current and future products and product candidates;
- our ability to avoid third-party patent interference, intellectual property challenges, or intellectual property infringement claims; and
- the ability to raise any additional required capital on acceptable terms, or at all.

Further, competitors who are developing products in the dermatology field or that target the same indications as us with products that have a similar mechanism of action may experience problems with their products that could indicate or result in class-wide problems or additional requirements that would potentially harm our business. Due to these risks and uncertainties, we cannot provide assurances that we will be able to generate sufficient revenue through the sale of VTAMA or our product candidates or any future product candidates to continue our business.

We may not be successful in our efforts to acquire or in-license new product candidates.

The success of our business depends in large part on our ability to successfully identify new product candidates, whether through acquisitions or in-licensing transactions or through our internal discovery capabilities. Our acquisition and in-licensing efforts focus on identifying assets in development by third parties across a diverse range of therapeutic areas that, in our view, are underserved or undervalued. Our strategy often entails designing low-cost studies that result in quick “go/no-go” decisions when deciding whether or how to proceed with future development for a given asset, once acquired. We may decide to proceed with the development of a product candidate on this basis and later determine that the more costly and time intensive trials do not support the initial value the product candidate was thought to hold. Even if a product candidate does prove to be valuable, its value may be less than anticipated at the time of investment. We may also face competition for attractive investment opportunities. A number of entities compete with us for such opportunities, many of which have considerably greater financial and technical resources. If we are unable to identify a sufficient number of such product candidates, or if the product candidates that we identify do not prove to be as valuable as anticipated, we will not be able to generate returns and implement our investment strategy and our business and results of operations may suffer materially. Any such failure to in-license or acquire new product candidates from third parties would have a material adverse effect on our business, financial condition, results of operations and prospects.

Our drug discovery efforts may not be successful in identifying new product candidates.

Our drug discovery efforts are centered on our discovery Vants, including Psivant, Mvant, Proteovant and VantAI, which employ a variety of approaches to the drug discovery process, including quantitative proteomics, induced proximity, targeted protein degradation and covalency. As a company, we have relatively limited experience in drug discovery generally and with certain of the computational tools that are employed in those efforts. Our future success depends, in part, on our ability to successfully use these approaches and technologies to identify promising new product candidates and eventually advance those product candidates through preclinical studies and clinical trials. We have not yet succeeded and may not succeed in advancing any product candidates developed through these discovery efforts into clinical trials, demonstrating the efficacy and safety of such product candidates or obtaining regulatory approval thereafter. As a result, it is difficult to predict the time and cost of product candidate development from our discovery Vants and we cannot predict whether the application of these approaches will result in the development and regulatory approval of any products. In addition, many of the active drug discovery efforts at our discovery Vants are being conducted pursuant to collaboration agreements with third parties, in which the third parties are either owed milestone and royalty payments tied to the successful development and commercialization of successfully identified drug candidates, or have been granted exclusive or shared development and commercialization rights with respect to successfully identified drug candidates in exchange for upfront payments, shared expenses, and certain milestone and royalty payments owed to the discovery Vants. Any problems that we or our third party partners experience in the future related to this platform or any of our related development programs may cause significant delays or unanticipated costs or may prevent the development of a commercially viable product. Any of these factors may prevent us from completing our preclinical studies or any clinical trials that we may initiate or commercializing any internally discovered product candidates we may develop on a timely or profitable basis, if at all. Even if successful, as a result of our collaboration agreements, our rights to commercialize any successfully discovered product candidates may be limited.

We face risks associated with the allocation of capital and personnel across our businesses.

Because we have limited financial and management resources, we have to make challenging decisions regarding the allocation of capital and personnel across our businesses. We face certain risks associated with these decisions and may fail to capitalize on viable commercial product candidates or profitable market opportunities. For example, we may decide not to pursue a particular in-licensing or acquisition opportunity, or a potential target indication for a product candidate, that later proves to have greater commercial potential than our current and planned development programs and product candidates. Similarly, our management's attention to one product or product candidate may divert their attention from another opportunity that ultimately might have proven more successful. Our spending on current and future research and development programs and other future product candidates may not yield any commercially viable future product candidates. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such future product candidate.

Additionally, we may pursue additional in-licenses or acquisitions of product candidates or programs, which entails additional risk to us. Identifying, selecting and acquiring promising product candidates requires substantial technical, financial and human resources expertise. Efforts to do so may not result in the actual acquisition or in-license of a successful product candidate, potentially resulting in a diversion of our management's time and the expenditure of our resources with no resulting benefit. For example, if we are unable to identify programs that ultimately result in approved products, we may spend material amounts of our capital and other resources evaluating, acquiring and developing products that ultimately do not provide a return on our investment.

We face risks associated with the Vant structure.

Our products and product candidates are developed at our Vants, which operate similarly to independent biopharmaceutical companies. While we believe that there are significant competitive advantages to this structure, as compared to traditional pharmaceutical companies or smaller biopharma companies, the Vant structure also poses certain risks for our business.

Operating the Vants independently, rather than under a centralized, consolidated management team, may result in increased costs at the Vants, as certain functions or processes, including sales and marketing, clinical and nonclinical personnel, business development, finance, accounting, human resources and legal functions, are replicated across the Vants. There may also be certain start-up costs, associated with the establishment of a new Vant or integration of a newly acquired business into a Vant, which are greater under the Vant model than they would be under a centralized model. The use of the Vant model may also entail increased costs for us, including the time and expenses associated with hiring Vant CEOs and management teams, overseeing Vant equity incentive arrangements and managing compliance-related risks, including the internal controls, reporting systems and procedures necessary for us to operate as a public company. We may also be exposed to increased "key employee" risks, in the event a Vant CEO were to depart, including the loss of other senior Vant personnel, potentially resulting in adverse impacts to commercialization or development work at the Vant. These increased expenses, complexities and other challenges may make using and scaling the Vant model more challenging and costly than it would be for a traditional pharmaceutical company to both operate and expand the number of product candidates under development, which could have a material adverse effect on our consolidated business, financial condition, results of operations or prospects. This decentralized model could also make compliance with applicable laws and regulations more challenging to monitor and may expose us to increased costs that could, in turn, harm our business, financial condition, results of operations or prospects.

In addition, a single or limited number of the Vants may, now or in the future, comprise a large proportion of our value. Similarly, a large proportion of our consolidated revenues may be derived from one or a small number of Vants. For example, our only approved product, VTAMA, was developed and is being commercialized by Dermavant, one of our Vants. Any adverse development at Dermavant or any other Vant, including the loss of key members of management, the termination of a key license agreement or other loss of the intellectual property underlying a product or product candidate or the failure of a clinical trial for a product candidate under development at the Vant, could have a material adverse effect on our consolidated business, financial condition, results of operations or prospects.

We do not wholly-own many of our Vants, and certain of our Vants have issued debt or equity securities senior to our ownership interests, which dilutes our economic interest in the Vants. Future capital needs at individual Vants may also be financed through senior debt or equity securities, or common equity, all of which may further dilute our economic interest in a Vant.

We manage the Vants in part through our designees who serve on the Vant boards of directors. In their capacities as directors, those individuals may owe fiduciary duties to the Vants and their shareholders under applicable law, which may at times require them to take actions that are not directly in our interest. To the extent any such actions have an adverse effect on the value of our ownership interest in the Vant, it could further adversely impact our consolidated business, financial condition, results of operations or prospects.

We face risks associated with potential future payments related to our products and product candidates.

Our asset in-licensing transactions typically involve zero or low upfront payments combined with milestone and royalty payments. These arrangements generally involve a payment or payments upon the achievement of certain development or regulatory milestones, including regulatory approval, and then royalty payments upon the achievement of specified levels of sales, which can extend for up to the life of a product. Some of these payments may become due before a product is generating revenues, in which case we may not have sufficient funds available to meet our obligations. If this were to occur, we would default on our payment obligations and could face penalties, delays in commercialization or development activities or reputational damage. Even for a product that is commercialized and generating revenue, payments could become due that are so large that the investment is not profitable or is less profitable than anticipated. For example, this could occur if at the time of the initial investment, we overestimated the value of the product and agreed to a payment schedule using these inflated estimates. If we are unable to make milestone and royalty payments related to our product candidates when due, our business and prospects could suffer and our ability to in-license future product candidates could be impaired.

Our business strategy and potential for future growth relies on a number of assumptions, some or all of which may not be realized.

Our business strategy and plans for future growth rely on a number of assumptions, including, in the case of our products and product candidates, assumptions related to adoption of a particular therapy, incidence and prevalence of an indication, use of a product or product candidate versus competitor therapies and size of the addressable patient populations. Some or all of these assumptions may be incorrect. We cannot accurately predict whether our products or product candidates will achieve significant market acceptance in line with these assumptions or whether there will be a market for our products or product candidates that reaches the anticipated size. If any of these assumptions are incorrect or overstated, our results and future prospects will be materially and adversely affected.

We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.

From time to time, we may consider strategic transactions, including acquisitions or divestitures of companies, asset purchases or sales and out-licensing or in-licensing of intellectual property, products or technologies. Additional potential transactions that we may consider in the future include a variety of business arrangements, including spinoffs, strategic partnerships, joint ventures, collaborations, restructurings, divestitures, business combinations and investments. Any future transactions could increase our near and long-term expenditures, result in potentially dilutive issuances of our or our Vants' equity securities, including our Common Shares, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in-process research and development expenses, and could expose us to the risk of litigation, any of which could affect our financial condition, liquidity and results of operations. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transactions may never be successful and may require significant time and attention of our management, as well as significant costs, whether or not successfully consummated. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition. For any alliances or joint ventures that we enter into in the biopharmaceutical industry, we may encounter numerous difficulties in discovering, developing, manufacturing and marketing any new products or product candidates related to such businesses, which may delay or prevent us from realizing the expected benefits or enhancing our business. Divestiture transactions, if they were to occur, may adversely impact the price of our common shares, to the extent investors believe the value of the consideration received in the transaction is not equivalent to the value of the asset or program divested. Accordingly, although there can be no assurance that we will undertake or successfully complete any additional transactions of the nature described above, any additional transactions that we do complete could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business, operations and clinical development timelines are subject to risks arising from the COVID-19 pandemic and other epidemic diseases.

The COVID-19 worldwide pandemic has presented substantial public health and economic challenges and has affected our employees, patients, physicians and other healthcare providers, communities and business operations, as well as the U.S. and global economies and financial markets. International and U.S. governmental authorities in impacted regions have taken, and may continue to take, actions in an effort to slow the spread of COVID-19 and variants of the virus. The continued spread of COVID-19 and the measures taken by governmental authorities, and any future epidemic or pandemic disease outbreaks, may cause disruptions that could severely impact our business, preclinical studies, clinical trials and financial condition, including by:

- disrupting the supply chain and the manufacture or shipment of drug substances and finished drug products for our product candidates for use in our research, preclinical studies and clinical trials;
- delaying, limiting or preventing our employees and CROs from continuing research and development activities;
- impeding our clinical trial initiation and recruitment and the ability of patients to continue in clinical trials, including the risk that participants enrolled in our clinical trials will contract COVID-19 while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events;
- impeding testing, monitoring, study procedures (such as endoscopies that are deemed non-essential), data collection and analysis and other related activities that may impact the integrity of subject data and clinical study endpoints; and
- affecting the business of the FDA, European Medicines Agency (“EMA”) or other regulatory authorities, which could result in delays in meetings related to ongoing or planned clinical trials.

The extent to which the COVID-19 pandemic or any future pandemic impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the identification of new variants, the rate of vaccine administration and the actions taken to contain its impact. The FDA issued a number of guidance documents describing its expectations for how drug manufacturers should comply with various FDA requirements during the COVID-19 pandemic and has otherwise exercised enforcement discretion as to certain requirements due to the related public health emergency. The determination that a public health emergency exists issued by the U.S. Department of Health and Human Services (“HHS”) Administration for Strategic Preparedness and Response under Section 319 of the Public Health Service Act (“PHSA”) ended on May 11, 2023, and the determination that there is a public health emergency that has a significant potential to affect national security or the health and security of United States citizens living abroad issued by HHS under Section 564 of the Federal Food, Drug, and Cosmetic Act (“FDCA”) may end in the near term. In anticipation of these events, the FDA published a notice in the Federal Register indicating which guidance documents will immediately cease upon termination of the emergency declaration under the PHSA as well as those that will be revised or continue for a limited or indefinite time. As a result, we may assume a greater compliance burden in connection with our ongoing clinical trials.

The COVID-19 pandemic and mitigation measures have had and may continue to have an adverse impact on global economic conditions, which could have an adverse effect on our business and financial condition, including impairing our ability to raise capital when needed. To the extent the COVID-19 pandemic or any future pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section.

We may not be able to complete certain strategic transactions if a proposed transaction may be subject to review or approval by regulatory authorities pursuant to certain U.S. laws or regulations.

Certain potential acquisitions or business combinations that we may pursue could be subject to review or approval by regulatory authorities pursuant to certain U.S. laws or regulations. In the United States, certain mergers that potentially could affect competition may require certain filings and review by the Department of Justice and the Federal Trade Commission. In recent years, there has been enhanced regulatory scrutiny over such transactions. In the event that we were to make an investment, acquisition or disposition that was determined to be subject to regulatory review, and such regulatory approval or clearance is not obtained, or the review process is extended beyond the period of time that would permit such strategic transactions to be consummated, we may not be able to consummate such strategic transactions or counterparties may be deterred from pursuing potential strategic transactions with us. This may impair our ability to raise capital when needed and to pursue accretive transactions, which is an important part of our business model, and have an adverse effect on our business, financial condition and prospects.

Risks Related to the Development of Our Products and Product Candidates

Clinical trials and preclinical studies are very expensive, time-consuming, difficult to design and implement and involve uncertain outcomes. We may encounter substantial delays in clinical trials, or may not be able to conduct or complete clinical trials or preclinical studies on the expected timelines, if at all.

Our biopharmaceutical product candidates that are in clinical development or preclinical studies will require, as applicable, extensive clinical testing before a New Drug Application (“NDA”) or other similar application for regulatory approval, such as a Biologics License Application (“BLA”) or an application for marketing authorization in the European Union (“EU”) or United Kingdom (“UK”), may be submitted, or extensive preclinical testing before an Investigational New Drug application (“IND”) or an application for authorization to conduct a clinical trial in the EU or UK may be submitted, a Clinical Trial Application (“CTA”). We cannot provide any assurance that we will submit an IND, NDA, CTA or other similar application for regulatory approval for our product candidates within projected timeframes or whether any such application will be approved by the relevant regulatory authorities.

Clinical trials and preclinical studies are very expensive, time-consuming and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. For instance, the FDA, an institutional review board (“IRB”), an Ethics Committee (“EC”) or other regulatory authorities may not agree with the proposed analysis plans or trial design for the clinical trials of our product candidates, and during any such review, may identify unexpected efficacy or safety concerns, which may delay the effective date of an IND or approval of an NDA, BLA or similar application. The FDA, the European Medicines Agency (“EMA”), the European Commission, the Medicines and Healthcare product Regulatory Agency (“MHRA”) or other relevant regulatory authority may also find that the benefits of any product candidate in any applicable indication do not outweigh its risks in a manner sufficient to grant regulatory approval.

The FDA or other regulatory authorities may also not agree with the scope of our proposed investigational plan. For example, they may find that our proposed development program is not sufficient to support a marketing authorization application, or that the proposed indication is considered to be too broad. Moreover, the FDA or other regulatory authorities may also refuse or impose certain restrictions on our reliance on data supporting our clinical trial application or marketing authorization application should such data originate from studies outside of the relevant jurisdiction or be affected by regulatory non-compliance, including issues of data integrity. In the EU, data derived from clinical trials that were conducted outside the EU cannot be used to support a CTA unless the clinical trial was registered on a relevant database. In each case, this could delay the clinical development and authorization timeline for a given product candidate.

Failures can occur at any stage of development, including clinical trials or preclinical studies, and we could encounter problems that cause us to abandon or repeat clinical trials or preclinical studies. In addition, results from clinical trials or preclinical studies may require further evaluation, delaying the next stage of development or submission of an IND or an NDA or similar application in the U.S. or another jurisdiction. Further, product candidates in later stages of clinical trials may fail to show the desired safety and efficacy results despite having successfully progressed through preclinical and earlier stage clinical trials. Such product candidates may exhibit safety signals in later stage clinical trials that they did not exhibit in earlier studies or trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in, or the discontinuation of, advanced clinical trials with a product candidate due to lack of efficacy or adverse safety findings, despite having promising results in earlier trials or studies. Likewise, the results of early clinical trials or preclinical studies of our product candidates may not be predictive of the results of future development programs. There can also be no assurance that the results of studies conducted by collaborators or other third parties with similar product candidates in similar indications will be viewed favorably or indicative of our own future trial results.

The commencement and completion of preclinical studies and clinical trials may be delayed by several factors, including:

- failure to obtain regulatory authorization to commence a clinical trial or reaching consensus with regulatory authorities regarding the design or implementation of our studies;
- other regulatory issues, including the receipt of any inspectional observations on FDA’s Form-483, Warning or Untitled Letters, clinical holds, or complete response letters or similar communications/objections by other regulatory authorities;
- unforeseen safety issues, or subjects experiencing severe or unexpected adverse events;
- occurrence of serious adverse events in trials of the same class of agents conducted by other sponsors;

- lack of effectiveness during clinical trials;
- resolving any dosing issues, including those raised by the FDA or other regulatory authorities;
- inability to reach agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- slower than expected rates of patient recruitment or failure to recruit suitable patients to participate in a trial;
- failure to add a sufficient number of clinical trial sites;
- unanticipated impact from changes in or modifications to protocols or clinical trial design, including those that may be required by the FDA or other regulatory authorities;
- inability or unwillingness of clinical investigators or study participants to follow our clinical and other applicable protocols or applicable regulatory requirements;
- an IRB or EC refusing to approve, suspending, or terminating the trial at an investigational site, precluding enrollment of additional subjects, or withdrawing their approval of the trial;
- premature discontinuation of study participants from clinical trials or missing data;
- failure to manufacture or release sufficient quantities of our product candidates or failure to obtain sufficient quantities of active comparator medications for our clinical trials, if applicable, that in each case meet our quality standards, for use in clinical trials;
- inability to monitor patients adequately during or after treatment; or
- inappropriate unblinding of trial results.

In addition, disruptions caused by the ongoing effects of the COVID-19 pandemic or future pandemics may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing clinical trials. Further, we, the FDA or other regulatory authorities may suspend our clinical trials in an entire country at any time, or an IRB/EC may suspend our clinical trial sites within any country, if it appears that we or our collaborators, or the principal investigator, are failing to conduct a trial in accordance with the protocol, applicable regulatory requirements, including Good Clinical Practice (“GCP”) regulations, that we are exposing participants to unacceptable health risks, or if the FDA or other regulatory authority finds deficiencies in our IND or equivalent applications for other countries or in the manner in which clinical trials are conducted. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials.

If we experience delays in the commencement or completion of our clinical trials, or if we terminate a clinical trial prior to completion, the commercial prospects of our product candidates could be harmed, and our ability to generate product revenue from any of our product candidates, if approved, may be delayed. In addition, any delays in our clinical trials could increase our costs, cause a decline in our share price, slow down the approval process, and jeopardize our ability to commence product sales and generate revenue. Any of these occurrences may harm our business, financial condition and results of operations. In addition, many of the factors that cause or lead to a termination or suspension of, or delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates. We may make formulation or manufacturing changes to our product candidates, in which case we may need to conduct additional preclinical or clinical studies to bridge our modified product candidates to earlier versions. Any delays to our clinical trials that occur as a result could shorten any period during which we may have the exclusive right to commercialize our product candidates and our competitors may be able to bring product candidates to market before we do, and the commercial viability of our product candidates could be significantly reduced.

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

In addition, for our products or product candidates that are in clinical development, prior to our acquisition of the rights to those products or product candidates we had no involvement with or control over the preclinical or clinical development of those products or product candidates. We are therefore dependent on our licensing and other transaction partners having conducted such research and development in accordance with the applicable protocols and legal, regulatory and scientific standards, having used appropriately regulated and compliant equipment and devices during the preclinical or clinical development, having accurately reported the results of all clinical trials and other research they conducted prior to our acquisition of the rights to those products or product candidates, having correctly collected and interpreted the data from these trials and other research and having supplied us with complete information, data sets and reports required to adequately demonstrate the results reported through the date of our acquisition of these products or product candidates. Problems associated with the pre-acquisition development of our products or product candidates could result in increased costs and delays in the commercialization of our products or development of our product candidates, which could harm our ability to generate any future revenue from sales of products or, if approved, product candidates.

Certain of our products and product candidates are novel, complex and difficult to manufacture. We could experience manufacturing problems that result in delays in our development or commercialization programs or otherwise harm our business.

The manufacturing processes our CMOs use to produce our products and product candidates are complex, novel and, in the case of our product candidates, have not necessarily been validated for commercial use. Several factors could cause production interruptions, including equipment malfunctions, facility contamination, raw material shortages or contamination, natural disasters, disruption in utility services, human error or disruptions in the operations of our suppliers.

Our biologic product candidates may require processing steps that are more complex than those required for most small molecule drugs. Moreover, unlike small molecules, the physical and chemical properties of biologics generally cannot be fully characterized. As a result, assays of the finished product may not be sufficient to ensure that the product is consistent from lot-to-lot or will perform in the intended manner. Accordingly, our CMOs must employ multiple steps to control the manufacturing process to assure that the process is reproducible and the product candidate is made strictly and consistently in compliance with the process. Problems with the manufacturing process, even minor deviations from the normal process, could result in product defects or manufacturing failures that result in lot failures, product recalls, product liability claims or insufficient inventory to conduct clinical trials or supply commercial markets. We may encounter problems achieving adequate quantities and quality of clinical-grade materials that meet the FDA, the EU, the UK or other applicable standards or specifications with consistent and acceptable production yields and costs.

In addition, the FDA, the EMA, the MHRA and other regulatory authorities may require us to submit samples of any lot of any approved product together with the protocols showing the results of applicable tests at any time. Under some circumstances, the FDA, the EMA, the MHRA or other comparable regulatory authorities may require that we not distribute a lot until the agency authorizes its release. Slight deviations in the manufacturing process, including those affecting quality attributes and stability, may result in unacceptable changes in the product that could result in lot failures or product recalls. Lot failures or product recalls could cause us to delay product launches or clinical trials, which could be costly to us and otherwise harm our business, financial condition, results of operations and prospects.

Our CMOs also may encounter problems hiring and retaining the experienced scientific, quality assurance, quality-control and manufacturing personnel needed to operate our manufacturing processes, which could result in delays in production or difficulties in maintaining compliance with applicable regulatory requirements. Any problems in our CMOs' manufacturing processes or facilities could result in delays in planned clinical trials and increased costs, and could make us a less attractive collaborator for potential partners, including larger biopharmaceutical companies and academic research institutions, which could limit access to additional attractive development programs. Problems in any of our manufacturing processes could restrict our ability to meet potential future market demand for our products or to conduct clinical trials with our product candidates.

We may encounter difficulties enrolling and retaining patients in clinical trials, and clinical development activities could thereby be delayed or otherwise adversely affected.

We may encounter delays or difficulties in enrolling, or be unable to enroll, a sufficient number of patients to complete any of our clinical trials for our products or product candidates on current timelines, or at all, and even once enrolled we may be unable to retain a sufficient number of patients to complete any of our clinical trials for these products or product candidates. Enrollment in our clinical trials may also be slower than we anticipate, or be stopped, leading to delays in the development timelines for our products and product candidates.

Patient enrollment and retention in clinical trials depends on many factors, including EC approval of patient participation as proposed, the size of the patient population, the nature of the trial protocol, our ability to recruit clinical trial investigators with the appropriate competencies and experience, delays in enrollment due to travel or quarantine policies, or other factors, including those related to the ongoing COVID-19 pandemic or future pandemics, the existing body of safety and efficacy data with respect to the study drug, the number and nature of competing treatments and ongoing clinical trials of competing drugs for the same indication, the proximity of patients to clinical sites, the eligibility criteria for the trial and the proportion of patients screened that meets those criteria, our ability to obtain and maintain patient consents and our ability to successfully complete prerequisite studies before enrolling certain patient populations. For certain of our products and product candidates, including batoclimab, which targets certain rare autoimmune indications, there are limited patient pools from which to draw in order to complete our clinical trials in a timely and cost-effective manner. In addition, for certain of our early-stage development programs, there may be a limited number of sites where it is feasible to run clinical trials, making such programs particularly susceptible to delays caused by issues at those sites.

Furthermore, any negative results or new safety signals we may report in clinical trials of our products or product candidates may make it difficult or impossible to recruit and retain patients in other clinical trials we are conducting or to resume enrolling patients once a paused clinical trial has been resumed. For example, in February 2021, our subsidiary, Immunovant, voluntarily paused dosing in its clinical trials for batoclimab globally due to elevated total cholesterol and low-density lipoprotein (“LDL”) levels observed in some patients treated with batoclimab, resulting in a delay in Immunovant’s development of batoclimab. In current and future trials of batoclimab, it may be more difficult for Immunovant to recruit and retain patients for such clinical trials. Similarly, negative results reported by our competitors about their drug candidates may negatively affect patient recruitment in our clinical trials. Also, marketing authorization of competitors in this same class of drugs may impair our ability to enroll patients into our clinical trials, delaying or potentially preventing us from completing recruitment of one or more of our trials.

Delays or failures in planned patient enrollment or retention may result in increased costs, program delays or both, which could have a harmful effect on our ability to develop our products and product candidates, or could render further development impracticable. In addition, we expect to rely on CROs and clinical trial sites to ensure proper and timely conduct of our future clinical trials, and, while we intend to enter into agreements governing their services, we will be limited in our ability to compel their actual performance. Any such delays in our current or future clinical trials could have a material adverse impact on our operations and financial condition and results.

The results of our preclinical studies and clinical trials may not support our proposed claims for our products or product candidates, or regulatory approvals on a timely basis or at all, and the results of earlier studies and trials may not be predictive of future trial results.

Success in preclinical studies and early clinical trials does not ensure that later clinical trials will be successful, and we cannot be sure that the results of later clinical trials will replicate the results of prior preclinical studies and earlier clinical trials. For example, we cannot assure you that the efficacy and safety results from our TUSCANY-2 trial of RVT-3101 in ulcerative colitis or the reductions in IgG antibodies that we have observed to date in our clinical trials and preclinical studies of batoclimab and IMVT-1402 and will be observed in future clinical trials, including pivotal trials necessary for regulatory approvals. Likewise, promising interim results or other preliminary analyses do not ensure that the clinical trial as a whole will be successful and may lack statistical significance, which would further limit the reliability of such interim or preliminary data. A number of companies in the pharmaceutical industry, including biotechnology companies, have suffered significant setbacks in, or the discontinuation of, clinical trials, even after promising results were seen with their product candidates in earlier preclinical studies or clinical trials. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway and safety or efficacy observations made in clinical trials, including previously unobserved adverse events.

The results of preclinical studies and early clinical trials of our products and product candidates may not be predictive of the results of later-stage clinical trials. Products and product candidates in later stage clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical and initial clinical trials. A future failure of a clinical trial to meet its pre-specified endpoints may cause us to abandon development of the product candidate in question. Any delay in, or termination of, our clinical trials will prevent or delay the submission of an NDA or other similar applications to the FDA or other relevant comparable non-U.S. regulatory authorities and, ultimately, our ability to commercialize our products or, if approved, our product candidates, and generate product revenues. Even if our clinical trials are completed as planned, we cannot be certain that their results will support our claims for differentiation or the effectiveness or safety of our products and product candidates. The FDA and other regulatory authorities, including the EMA and the MHRA, have substantial discretion in the review and approval process and may disagree that our data support the differentiated claims we propose. In addition, only a small percentage of product candidates under development result in the submission of an NDA or other similar application to the FDA and other comparable non-U.S. regulatory authorities and even fewer are approved for commercialization.

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

From time to time, and in some countries, in line with the applicable requirements set out in legislation and guidance, we may publicly disclose preliminary or top-line data from our clinical trials, which is based on a preliminary analysis of then-available top-line data. For example, earlier this year we disclosed interim and chronic period data from the TUSCANY-2 trial of RVT-3101 in ulcerative colitis and top-line data from our pivotal atopic dermatitis Phase 3 ADORING 1 and ADORING 2 trials of VTAMA. These results and related findings and conclusions are subject to change following a full analysis of all data related to the particular trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the preliminary and top-line results that we report may differ from future results of the same trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the top-line data we previously reported. As a result, preliminary and top-line data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between preliminary, top-line or interim data and final data could significantly harm our business prospects. Further, disclosure of preliminary or interim data by us or by our competitors could result in increased volatility in the price of our shares.

Further, other parties, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of a particular product or product candidate and our business in general. In addition, the information we choose or are required to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure. Any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product, product candidate or our business. If the top-line data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for and commercialize our products and product candidates, our business, operating results, prospects or financial condition may be harmed.

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

As our products and product candidates proceed through the development process, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause products or product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. Such changes may also require additional testing, FDA notification or FDA approval, or another regulatory authority's notification or approval, as applicable, since similar requirements apply in other jurisdictions. This could delay the completion, or result in the abandonment, of clinical trials, require the conduct of bridging clinical trials, the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our products and product candidates and jeopardize our ability to commence sales and generate revenues.

We rely on third parties to conduct, supervise and monitor our clinical trials, and if those third parties perform in an unsatisfactory manner or fail to comply with applicable requirements, it may harm our business.

We rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials, and we expect to have limited influence over their actual performance. In addition, we rely upon CROs to monitor and manage data for our clinical programs, as well as the execution of future nonclinical studies. We expect to control only certain aspects of our CROs' activities. Nevertheless, we will be responsible for ensuring that each of our studies is conducted in accordance with the applicable contract, protocol, legal, regulatory and scientific standards and that clinical trial sites meet applicable protocol and regulatory requirements. Our reliance on CROs does not relieve us of our regulatory or specified contractual responsibilities.

We and our CROs are required to comply with Good Laboratory Practices ("GLPs") and GCPs, which are regulations and guidelines enforced by the FDA and other comparable non-U.S. regulatory authorities, which also require compliance with the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use ("ICH") guidelines for any of our products and product candidates that are in preclinical and clinical development. The regulatory authorities enforce GCP regulations through periodic inspections of trial sponsors, principal investigators and clinical trial sites. Although we may rely on CROs to conduct our GLP-compliant nonclinical studies and GCP-compliant clinical trials, we remain responsible for ensuring that each of our GLP nonclinical studies and GCP clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations. Our expected reliance on the CROs does not relieve us of our regulatory or contractual responsibilities. If we or our CROs fail to comply with GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or non-U.S. regulatory authorities may reject our marketing authorization applications and require us to perform additional clinical trials to generate additional data before approving our marketing applications. Accordingly, if our CROs fail to comply with these regulations or other applicable laws, regulations or standards, or fail to recruit a sufficient number of subjects, we may be required to repeat clinical trials, which would delay the regulatory approval process. Failure by any future CROs to properly execute study protocols in accordance with applicable law could also create product liability and healthcare regulatory risks for us as sponsors of those studies.

Our CROs are independent, third-party organizations and we do not control whether they devote sufficient time, attention and resources to our clinical and nonclinical programs. These CROs may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials, or other drug development activities which could harm our competitive position. We face the risk of potential unauthorized disclosure or infringement, misappropriation or other violation of our intellectual property by CROs, which may reduce our trade secret and intellectual property protection and allow our potential competitors to access and exploit our proprietary technology. If our CROs do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for any other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for, or successfully commercialize any product or product candidate that we develop. As a result, our financial results and the commercial prospects for any product or product candidate that we develop would be harmed, our costs could increase, and our ability to generate revenues could be delayed.

If our relationships with these CROs terminate, we may not be able to enter into arrangements with alternative CROs or do so on commercially reasonable terms or in a timely manner. Switching or adding additional CROs involves substantial cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can adversely impact our ability to meet our desired clinical development timelines. Though we intend to carefully manage our relationships with the CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have an adverse impact on our business, financial condition and prospects.

We do not have our own manufacturing capabilities and rely on third parties to produce clinical and commercial supplies of our products and product candidates.

We do not own or operate, and do not expect to own or operate, facilities for product manufacturing, storage and distribution or testing. Accordingly, we rely on third parties to produce commercial and clinical supplies of our products and product candidates. For example, Dermavant, ThermoFisher and GSK have entered into agreements pursuant to which ThermoFisher and GSK are providing commercial drug product and drug substance for VTAMA as well as drug product and drug substance for Dermavant's recently completed pivotal atopic dermatitis Phase 3 ADORING 1 and ADORING 2 trials of VTAMA as well as its ongoing open label long-term extension study of VTAMA in atopic dermatitis. If these counterparties do not fulfill their obligations under these agreements, Dermavant's ability to sell VTAMA commercially and conduct its ongoing and future clinical trials with VTAMA may be adversely impacted.

Third-party vendors may be difficult to identify for our product process and formulation development and manufacturing due to special capabilities required, and they may not be able to meet our quality standards. In addition, certain of our third-party manufacturers and suppliers may encounter delays in providing their services as a result of supply chain constraints. If any third-party manufacturers or third parties in the supply chain for materials used in the production of our products or product candidates are adversely impacted by supply chain constraints, our supply chain may be disrupted, limiting our ability to manufacture our products for commercialization and products or product candidates for our preclinical studies, clinical trials and research and development activities. Any significant delay in the supply of a product or product candidate, or the raw material components thereof, or of equipment and devices as necessary, for either commercialization or an ongoing clinical trial, due to the need to replace a third-party manufacturer or otherwise, could considerably delay marketing efforts for the product in question or the completion of clinical trials, product testing and potential regulatory approval of the product candidate in question. If our manufacturers or we are unable to purchase these raw materials after regulatory approval has been obtained for our products or product candidates, the commercial launch of our products or product candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenue from the sale of our products or product candidates and may require notification to the FDA or other regulatory authorities. Moreover, as a result of projected supply constraints for certain materials used in the production of our products or product candidates, we have in the past and may in the future reserve manufacturing capacity in advance of receiving required efficacy or safety results from our clinical trials, which may involve committing substantial financial resources to current or future products or product candidates that may never be approved or achieve commercialization at scale or at all. In addition, legislative, executive and regulatory proposals were recently enacted or are pending to, among other things, prevent drug shortages, improve pandemic preparedness and reduce the dependency of the United States on foreign supply chains and manufacturing. While we are still assessing these developments, they could impact our selection and utilization of CMOs, vendors and other suppliers and could have a material adverse impact on our business, financial condition and results of operations.

The facilities used by our contract manufacturers to manufacture our products and product candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit an NDA or other similar application to the FDA. Such facilities must also register with the FDA. Similar requirements apply in other jurisdictions. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with Current Good Manufacturing Practice (“cGMP”) requirements for the manufacture of products and product candidates. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable non-U.S. regulatory authorities, we will not be able to secure or maintain regulatory approval for our products or product candidates. In addition, we have limited control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or comparable non-U.S. regulatory authorities do not approve these facilities for the manufacture of our products or product candidates or if they withdraw any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to market our products and develop, obtain regulatory approval for or market our product candidates, if approved.

Further, our reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured our products and product candidates ourselves, including:

- inability to meet our product specifications and quality requirements consistently;
- delay or inability to procure or expand sufficient manufacturing capacity;
- manufacturing and product quality issues related to scale-up of manufacturing;
- costs and validation of new equipment and facilities required for scale-up;
- failure to comply with applicable laws, regulations and standards, including cGMP and similar standards;
- deficient or improper record-keeping;
- inability to negotiate manufacturing agreements with third parties under commercially reasonable terms;
- termination or nonrenewal of manufacturing agreements with third parties in a manner or at a time that is costly or damaging to us;
- reliance on a limited number of sources, and in some cases, single sources for product components, such that if we are unable to secure a sufficient supply of these product components, we will be unable to manufacture and sell our products or product candidates in a timely fashion, in sufficient quantities or under acceptable terms;
- lack of qualified backup suppliers for those components that are currently purchased from a sole or single source supplier;
- operations of our third-party manufacturers or suppliers could be disrupted by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier or other regulatory sanctions related to the manufacturer of another company’s product candidates;
- carrier disruptions or increased costs that are beyond our control; and
- failure to deliver our products or product candidates under specified storage conditions and in a timely manner.

Any of these events could lead to clinical trial delays, cost overruns, delay or failure to obtain regulatory approval or impact our ability to successfully commercialize our products and product candidates as well as potential product liability litigation, product recalls or product withdrawals. Some of these events could be the basis for FDA or other regulatory authority action, including injunction, recall, seizure, total or partial suspension of production, or suspension or revocation of manufacturing/import authorizations and GMP certificates.

If the contract manufacturing facilities on which we rely do not continue to meet regulatory requirements or are unable to meet our requirements, including providing an adequate supply, our business will be harmed.

All entities involved in the preparation of products and product candidates for clinical trials or commercial sale, including our existing CMOs for all of our products and product candidates, are subject to extensive regulation. Components of a finished therapeutic product approved for commercial sale or used in late-stage clinical trials must be manufactured in accordance with cGMP, or similar regulatory requirements outside the United States. These regulations govern manufacturing processes and procedures, including record-keeping, and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of contaminants or to inadvertent changes in the properties or stability of our products and product candidates. Our failure, or the failure of third-party manufacturers, to comply with applicable regulations could result in the issuance of inspectional observations on FDA’s Form-483, Warning or Untitled Letters, similar communications or objections by other authorities, public safety alerts identifying our company or products and sanctions being imposed on us, including clinical holds, import alerts, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, suspension of production, seizures or recalls of products or product candidates, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect clinical or commercial supplies of our products and product candidates.

We and/or our CMOs must supply all necessary documentation in support of an NDA or similar regulatory application on a timely basis, and must adhere to regulations enforced by the FDA and other regulatory agencies through their facilities inspection program. Some of our CMOs have never produced a commercially approved pharmaceutical product and therefore have not obtained the requisite regulatory authority approvals to do so. The facilities and quality systems of some or all of our third-party contractors must pass a pre-approval inspection for compliance with the applicable regulations as a condition of regulatory approval of our products and product candidates. In addition, the regulatory authorities may, at any time, audit or inspect a manufacturing facility involved with the preparation of our products and product candidates or the associated quality systems for compliance with the regulations applicable to the activities being conducted. Although we oversee the CMOs, we cannot control the manufacturing process of, and are completely dependent on, our CMO partners for compliance with the regulatory requirements. If these facilities do not pass a pre-approval plant inspection, regulatory approval of the products and product candidates may not be granted or may be substantially delayed until any violations are corrected to the satisfaction of the regulatory authority, if ever.

The regulatory authorities also may, at any time following approval of a product for sale, inspect the manufacturing facilities of our third-party contractors. If any such inspection or audit identifies a failure to comply with applicable regulations or if a violation of our product specifications or applicable regulations occurs independent of such an inspection or audit, we or the relevant regulatory authority may require remedial measures that may be costly and/or time consuming for us or a third-party to implement, and that may include the temporary or permanent suspension of a clinical trial or commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business.

Additionally, if supply from one approved manufacturer is interrupted, an alternative manufacturer would need to be qualified through a supplemental NDA or similar regulatory filing, which could result in further delay. The regulatory agencies may also require additional studies if a new manufacturer is relied upon for commercial production. In some cases, the technical skills required to manufacture our products and product candidates may be unique or proprietary to the original CMO and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be unable to transfer such skills at all. In addition, if we are required to change CMOs for any reason, we will be required to verify that the new CMO maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product or product candidate according to the specifications previously submitted to the FDA or another regulatory authority. The delays associated with the verification of a new CMO could negatively affect our ability to develop product candidates or commercialize our products in a timely manner or within budget. In addition, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between our prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies, which could require the conduct of additional clinical trials. Accordingly, switching manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

These factors could cause us to incur higher costs and could cause the delay or termination of clinical trials, regulatory submissions, required approvals, or commercialization of our products and product candidates. Furthermore, if our suppliers fail to meet contractual requirements and we are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, our clinical trials may be delayed or we could lose potential revenue.

Risks Related to Regulatory Approval and Commercialization of Our Products and Product Candidates

Obtaining approval of a new drug is an extensive, lengthy, expensive and inherently uncertain process, and the FDA or another regulator may delay, limit or deny approval. If we are unable to obtain regulatory approval in one or more jurisdictions for any products or product candidates, our business will be substantially harmed.

We cannot commercialize a product until the appropriate regulatory authorities have reviewed and approved the product candidate. Approval by the FDA and comparable non-U.S. regulatory authorities is lengthy and unpredictable, and depends upon numerous factors, including substantial discretion of the regulatory authorities. Approval policies, regulations, or the type and amount of nonclinical or clinical data necessary to gain approval may change during the course of a product candidate's development and may vary among jurisdictions, which may cause delays in the approval or the decision not to approve an application. While we have obtained regulatory approval in the U.S. for one of our product candidates, VTAMA, for the treatment plaque psoriasis in adults, it is possible that VTAMA will not obtain regulatory approval in the U.S. for other indications or in other jurisdictions, and that other current and future product candidates will not be successful in obtaining regulatory approval in the U.S. and other jurisdictions. In addition, we cannot be certain that any products or product candidates that receive regulatory approval will be successfully commercialized.

Obtaining marketing approval of a new drug is an extensive, lengthy, expensive and inherently uncertain process and the FDA or other non-U.S. regulatory authorities may delay, limit or deny approval of a product candidate for many reasons, including:

- we may not be able to demonstrate that a product candidate is safe and effective as a treatment for the targeted indications, and in the case of our product candidates regulated as biological products, that the product candidate is safe, pure and potent for use in its targeted indication, to the satisfaction of the FDA or other relevant regulatory authorities;
- the FDA or other relevant regulatory authorities may require additional pre-approval studies or clinical trials, which would increase costs and prolong development timelines;
- the results of clinical trials may not meet the level of statistical or clinical significance required by the FDA or other relevant regulatory authorities for marketing approval;
- the FDA or other relevant regulatory authorities may disagree with the number, design, size, conduct or implementation of clinical trials, including the design of proposed preclinical and early clinical trials of any future product candidates;
- the CROs that we retain to conduct clinical trials may take actions outside of our control, or otherwise commit errors or breaches of protocols, that adversely impact the clinical trials and ability to obtain marketing approvals;
- the FDA or other relevant regulatory authorities may not find the data from nonclinical, preclinical studies or clinical trials sufficient to demonstrate that the clinical and other benefits of a product candidate outweigh its safety risks;
- the FDA or other relevant regulatory authorities may disagree with an interpretation of data or significance of results from nonclinical, preclinical studies or clinical trials or may require additional studies;
- the FDA or other relevant regulatory authorities may not accept data generated at clinical trial sites, including in situations where the authorities deem that the data was not generated in compliance with GCP, ethical standards or applicable data protection laws;
- if an NDA, BLA or a similar application is reviewed by an advisory committee, the FDA or other relevant regulatory authority, as the case may be, may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our application or may recommend that the FDA or other relevant regulatory authorities, as the case may be, require, as a condition of approval, additional nonclinical, preclinical studies or clinical trials, limitations on approved labelling or distribution and use restrictions;
- the FDA or other relevant regulatory authorities may require development of a risk evaluation and mitigation strategy (“REMS”) or its equivalent, as a condition of approval;
- the FDA or other relevant regulatory authorities may require additional post-marketing studies and/or patient registries for product candidates;
- the FDA or other relevant regulatory authorities may find the chemistry, manufacturing and controls data insufficient to support the quality of our product candidates;
- the FDA or other relevant regulatory authorities may identify deficiencies in the manufacturing processes or facilities of third-party manufacturers; or
- the FDA or other relevant regulatory authorities may change their approval policies or adopt new regulations.

For example, the FDA launched Project Optimus in 2021 as an initiative to reform the dose optimization and dose selection paradigm in oncology drug development, which was driven by the FDA’s concerns that the current paradigm for dose selection may result in doses and schedules of molecularly targeted therapies that are inadequately characterized before initiating pivotal trials. Through collaboration with the biopharmaceutical industry, academia and other stakeholders, the FDA’s goal for this initiative is to advance an oncology dose-finding and dose optimization paradigm that emphasizes dose selections that maximize efficacy as well as safety and tolerability. In support of this initiative, the FDA may request sponsors of oncology product candidates to conduct dose optimization studies pre- or post-approval. The FDA also continues to develop and finalize guidance documents and implement initiatives regarding the development and clinical research of oncology product candidates. Indeed, the FDA issued Draft Guidance for Industry, Optimizing the Dosage of Human Prescription Drugs and Biological Products for the Treatment of Oncologic Diseases (January 2023), to assist sponsors in identifying the optimal dosages for these products during clinical development and prior to submitting an application for approval for a new indication and usage.

Our future success depends significantly on our ability to successfully complete clinical trials for our product candidates, obtain regulatory approval and then successfully commercialize those product candidates. Any inability to successfully initiate, conduct or complete clinical trials could result in additional costs to us or impair our ability to generate revenue. In addition, if we make manufacturing or formulation changes to our product candidates, we may be required to or we may elect to conduct additional nonclinical studies or clinical trials to bridge data obtained from our modified product candidates to data obtained from nonclinical and clinical research conducted using earlier versions of these product candidates. Clinical trial delays could also shorten any periods during which our products have patent protection and may allow our competitors to bring products to market before we do, which could impair our ability to successfully commercialize product candidates and may harm our business and results of operations.

Delays in the initiation, conduct or completion of any clinical trial of our product candidates will increase our costs, slow down the product candidate development and approval process and delay or potentially jeopardize our ability to receive regulatory approvals, commence product sales and generate revenue. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates. Any of these events could have a material adverse effect on our business, prospects, financial condition and results of operations and have a negative impact on the price of our Common Shares.

Our clinical trials may fail to demonstrate substantial evidence of the safety and efficacy of product candidates that we may identify and pursue for their intended uses, which would prevent, delay or limit the scope of regulatory approval and commercialization.

Before obtaining regulatory approvals for the commercial sale of any of our product candidates, we must demonstrate through lengthy, complex and expensive nonclinical studies, preclinical studies and clinical trials that the applicable product candidate is both safe and effective for use in each target indication, and in the case of our product candidates regulated as biological products, that the product candidate is safe, pure, and potent for use in its targeted indication. Each product candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical development process. Most product candidates that begin clinical trials are never approved by regulatory authorities for commercialization. We have limited experience in designing clinical trials and may be unable to design and execute a clinical trial to support additional marketing approvals.

We cannot be certain that our current clinical trials or any other future clinical trials will be successful. Additionally, any safety concerns observed in any one of our clinical trials in our targeted indications could limit the prospects for regulatory approval of our product candidates in those and other indications, which could have a material adverse effect on our business, financial condition and results of operations. In addition, even if such clinical trials are successfully completed, we cannot guarantee that the FDA or comparable non-U.S. regulatory authorities will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. To the extent that the results of the trials are not satisfactory to the FDA or comparable non-U.S. regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. Even when regulatory approval is secured for a product or product candidate, the terms of such approval may limit the scope and use of the specific product candidate, which may also limit its commercial potential.

Our products and product candidates may cause adverse effects or have other properties that could delay or prevent their regulatory approval, cause us to suspend or discontinue clinical trials, abandon further development or limit the scope of any approved label or market acceptance.

Adverse events caused by or associated with our products and product candidates have caused us and could, in the future, cause us, other reviewing entities, clinical trial sites or regulatory authorities to interrupt, delay or halt clinical trials and could result in the denial of regulatory approval. If an unacceptable frequency or severity of adverse events or new safety signals are reported in our clinical trials for our product candidates or any future product candidates, our ability to obtain regulatory approval for such product candidates may be negatively impacted. Treatment-related side effects arising from, or those perceived to arise from, our product candidates or those from other companies targeting similar diseases, could also affect patient recruitment or the ability of enrolled patients to complete their participation in our clinical trials or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. For example, as previously disclosed, in early 2021, our subsidiary Immunovant voluntarily paused dosing in early phase clinical studies for batoclimab to evaluate treatment-induced elevations in total cholesterol and LDL levels observed in some trial subjects. After evaluation of the available safety data and following discussions with multiple regulatory agencies, Immunovant is continuing its clinical development of batoclimab. While Immunovant does not expect that increases in LDL over a short-term treatment duration would pose a safety concern for patients, the risk-benefit profile of long-term administration of batoclimab will need to incorporate any unfavorable effects on lipid profiles. These occurrences have harmed, and any reoccurrence may continue to harm our business, financial condition and prospects.

Furthermore, if any of our products, or any future product candidates that are approved, cause serious or unexpected side effects, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw, suspend, vary, or limit their approval of the product or require a REMS (or equivalent outside the United States) to impose restrictions on its distribution or other risk management measures;
- regulatory authorities may require that we recall a product;
- additional restrictions being imposed on the distribution, marketing or manufacturing processes of the products or any components thereof, including a “black box” warning or contraindication on product labels or communications containing warnings or other safety information about the product;
- regulatory authorities may require the addition of labelling statements, such as warnings or contraindications, require other labelling changes of a product or require field alerts or other communications to physicians, pharmacies or the public;
- we may be required to change the way a product is administered or distributed, conduct additional clinical trials, change the labelling of a product or conduct additional post-marketing studies or surveillance;
- we may be required to repeat preclinical studies or clinical trials or terminate programs for a product candidate, even if other studies or trials related to the program are ongoing or have been successfully completed;
- we may be sued and held liable for harm caused to patients, or may be subject to fines, restitution or disgorgement of profits or revenues;
- physicians may stop prescribing a product;
- reimbursement may not be available for a product;
- we may elect to discontinue the sale of our products;
- our products may become less competitive; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected products or product candidates, substantially increase the costs of commercializing our products or product candidates in the future and have a negative impact on the price of our Common Shares.

The regulatory approval processes of the FDA and comparable non-U.S. regulatory authorities are lengthy, time consuming and inherently unpredictable, and gaining approval for a product candidate in one country or jurisdiction does not guarantee that we will be able to obtain approval for or commercialize it in any other jurisdiction, which would limit our ability to realize our full market potential.

Prior to obtaining approval to commercialize a product candidate in any jurisdiction, we or our collaborators must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA or comparable non-U.S. regulatory authorities, that such product candidate is safe and effective and, as applicable, pure and potent for its intended use. Results from nonclinical studies and clinical trials can be interpreted in different ways. Even if we believe the nonclinical or clinical data for a product candidate are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. In order to market any products in any particular jurisdiction, we must establish and comply with numerous and varying regulatory requirements on a country-by-country basis regarding safety and efficacy. Approval of a product candidate by the FDA does not ensure approval by regulatory authorities in any other country or jurisdiction outside the United States. In addition, clinical trials conducted in one country, and the data generated therefrom, may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country. Approval processes vary among countries and can involve additional product testing and validation, as well as additional administrative review periods. Seeking regulatory approval could result in difficulties and costs for us and require additional nonclinical studies or clinical trials, which could be costly and time consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our products in those countries. We have one product, VTAMA, which has been approved by the FDA for the treatment of plaque psoriasis in adults in the U.S., but do not have any other products approved for sale in the U.S. or any other jurisdiction, including in international markets, and we do not have significant experience in obtaining regulatory approval in other markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approvals in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of any product we develop will be unrealized.

FDA approval for a product candidate in the United States does not guarantee that we will be able to or that we will make efforts to obtain approval for or commercialize our product candidates in any other jurisdiction, which would limit our ability to realize the drug candidate's full market potential.

We have one product, VTAMA, approved by the FDA for the treatment of plaque psoriasis in adults in the U.S. In order to market VTAMA or any of our other products or product candidates outside of the United States, we must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and effectiveness. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval processes vary among countries and can involve additional product testing and validation and additional or different administrative review periods from those in the United States, including additional preclinical studies or clinical trials, as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be sold in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

Seeking regulatory approval outside of the United States could result in difficulties and costs and require additional nonclinical studies or clinical trials which could be costly and time-consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our product candidates in those countries. The regulatory approval process outside of the United States may include all of the risks associated with obtaining FDA approval. Other than VTAMA, we do not have any products or product candidates approved for sale in any jurisdiction, including international markets, and we do not have significant experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approval in international markets is delayed, our target market will be reduced and our ability to realize the full market potential of our products will be harmed.

Following regulatory approvals for our products and product candidates, we will continue to face extensive ongoing quality and regulatory obligations and continued regulatory review, which may result in significant additional expense, and our products may face future development and quality or regulatory compliance difficulties.

We have one product, VTAMA, approved by the FDA for the treatment of plaque psoriasis in adults in the U.S. Any product or product candidate for which we obtain marketing approval will be subject to extensive and ongoing regulatory requirements, including for manufacturing processes, post-approval clinical data, labelling, packaging, distribution, adverse event reporting, storage, recordkeeping, traceability, conduct of potential post-marketing studies and post-marketing submission requirements, export, import, advertising and promotional activities for such product, among other things, will be subject to extensive and ongoing requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, establishment of registration and drug listing requirements, continued compliance with cGMP or equivalent requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of drug product samples to physicians, prior notification/review and/or approval of advertising and promotional materials by the competent authorities, record-keeping and GCP requirements for any clinical trials that we conduct post-approval. Even when marketing approval of a product or product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, including any requirement to implement a REMS. When a product or product candidate receives marketing approval, the accompanying label may limit the approved use of the drug or the FDA or other regulatory authorities may require that contraindications, warnings or precautions, including in some cases, a boxed warning, be included in the product labelling or accompanying documentation, which could limit sales of the product.

The FDA and other relevant regulatory authorities may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a product. Failure to complete such post-marketing requirements in accordance with the timelines and conditions set forth by the FDA and other relevant regulatory authorities could significantly increase costs, result in regulatory enforcement, or delay, limit or ultimately restrict the commercialization of such product. The FDA and other relevant regulatory authorities closely regulate the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labelling and that promotional and advertising materials and communications are truthful and non-misleading. 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, regulatory authorities impose stringent restrictions on manufacturers' communications and if we do not market our products or product candidates for their approved indications or in a manner which regulators believe to be truthful and non-misleading, we may be subject to enforcement action. Moreover, in the EU and the UK we will be prohibited from promoting prescription-only medicinal products to individuals who are not healthcare professionals. Violations of the FDCA in the United States and other comparable laws and regulations in other jurisdictions relating to the promotion of prescription drugs may lead to enforcement actions and investigations by the FDA, Department of Justice, State Attorneys General and other comparable non-U.S. regulatory agencies alleging violations of United States federal and state health care fraud and abuse laws, as well as state consumer protection laws and comparable laws in other jurisdictions.

In addition, later discovery of previously unknown adverse events or other problems with our products or product candidates, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may negatively impact our business and the price of our Common Shares and may yield various results, including:

- restrictions on the manufacture of such products or product candidates;
- restrictions on the labelling or marketing of such products or product candidates, including a “black box” warning or contraindication on the product label or communications containing warnings or other safety information about the product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials, or any regulatory holds on our clinical trials;
- requirement of a REMS (or equivalent outside the United States);
- Warning or Untitled Letters or similar communications from other relevant regulatory authorities;
- withdrawal of the product or product candidates from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products or product candidates;
- fines, restitution or disgorgement of profits or revenues;
- suspension, variation, revocation or withdrawal of marketing approvals;
- refusal to permit the import or export of our products or product candidates;
- seizure of our products or product candidates; or
- lawsuits, injunctions or the imposition of civil or criminal penalties.

Non-compliance by us or any current or future collaborator with regulatory requirements, including safety monitoring or pharmacovigilance can also result in significant financial penalties.

Our failure to maintain or continuously improve our quality management program could have an adverse effect upon our business, subject us to regulatory actions and cause patients to lose confidence in us or our products, among other negative consequences.

Quality management plays an essential role in the manufacturing of drugs or drug products, conducting clinical trials, preventing defects, improving our product candidates and services and assuring the safety and efficacy of our products and product candidates. We seek to maintain a robust quality management program which includes the following broad pillars of quality:

- monitoring and assuring regulatory compliance for clinical trials, manufacturing and testing of good applicable practice (“GxP”) (e.g., GCP, GLP and GMP regulated) products;
- monitoring and providing oversight of all GxP suppliers (e.g., contract development manufacturing organizations and CROs);
- establishing and maintaining an integrated, robust quality management system for clinical, manufacturing, supply chain and distribution operations; and
- cultivating a proactive, preventative quality culture and employee and supplier training to ensure quality.

Our future success depends on our ability to maintain and continuously improve our quality management program. A quality or safety issue may result in adverse inspection reports, warning letters, monetary sanctions, injunctions to halt manufacture and distribution of drugs or drug products, civil or criminal sanctions, costly litigation, refusal of a government to grant approvals and licenses, restrictions on operations or withdrawal, suspension or variation of existing approvals and licenses. An inability to address a quality or safety issue in an effective and timely manner may also cause negative publicity, or a loss of patient confidence in us or our products or product candidates, which may result in difficulty in successfully launching products and the loss of potential future sales, which could have an adverse effect on our business, financial condition, and results of operations.

Breakthrough Therapy Designation, Fast Track Designation, Regenerative Medicine Advanced Therapy Designation or Orphan Drug Designation by the FDA or other relevant regulatory authorities, even if granted for any product candidate, may not lead to a faster development, regulatory review or approval process, and does not necessarily increase the likelihood that any product candidate will receive marketing approval in the United States or other jurisdictions.

We have sought, or may in the future seek, Breakthrough Therapy Designation, Fast Track Designation, Regenerative Medicine Advanced Therapy Designation or Orphan Drug Designation for certain of our product candidates. For example, in July 2021, Immunovant was granted orphan drug designation in the U.S. by the FDA for batoclimab for the treatment of MG and, in August 2022, it received orphan drug designation from the European Commission for batoclimab for the treatment of MG. Immunovant plans to seek orphan drug designation from the FDA for batoclimab and/or IMVT-1402 where there is a medically plausible basis for batoclimab and/or IMVT-1402's use. Immunovant may also seek orphan drug designation for batoclimab and/or IMVT-1402 for the treatment of other indications in the E.U. We may also do so for other of our products and product candidates in the future where there is a basis for doing so.

A breakthrough therapy is defined as a therapy that is intended, alone or in combination with one or more other therapies, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the therapy may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For therapies that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed on potentially less efficacious control regimens. Therapies designated as breakthrough therapies by the FDA may also be eligible for priority review and accelerated approval. Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe a product candidate meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for a product candidate may not result in a faster development process, review or approval compared to therapies considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if a product candidate qualifies as a breakthrough therapy, the FDA may later decide that such product candidate no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Recently, there has been heightened scrutiny of the accelerated approval pathway, with some stakeholders advocating for reform. The HHS Office of Inspector General has initiated, and partly completed, an assessment of how the FDA implements the accelerated approval pathway. In addition, Section 3210 of the Consolidated Appropriations Act, 2023, revised the accelerated approval pathway. Although this legislation did not change the standard for accelerated approval, it, among other things, requires the FDA to specify the conditions for required post-marketing trials, permits the FDA to require such trials to be underway prior to, or within a specific period after, approval, requires sponsors to provide reports on post-marketing trial progress no later than 180 days after approval and every 180 days thereafter until such trials are completed, makes the failure to conduct required post-marketing trials with due diligence and the failure to submit the required reports prohibited acts, and details procedures the FDA must follow to withdraw an accelerated approval on an expedited basis. We understand that FDA approval letters to products granted accelerated approval subsequent to passage of this legislation are including language that informs the sponsor that they are required to submit status reports of the progress of each requirement no later than 180 days post-approval and every 180 days thereafter. At this time, it is not clear what impact, if any, these developments may have on the statutory accelerated approval pathway or our business, financial condition results of operations, or prospects.

If a therapy is intended for the treatment of a serious or life-threatening condition and the therapy demonstrates the potential to address unmet medical needs for this condition, the therapy sponsor may apply for Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation, we may not necessarily experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program. Fast Track Designation alone does not guarantee qualification for the FDA's priority review procedures.

Regulatory authorities in some jurisdictions, including the United States and the European Economic Area (the “EEA”), may designate drugs and biologics for relatively small patient populations as orphan drugs. In the United States, the FDA may designate a drug or biologic as an orphan drug if it is intended to treat a rare disease or condition, which is defined as a disease or condition that affects fewer than 200,000 individuals annually in the United States or for which there is no reasonable expectation that costs of research and development of the drug for the disease or condition can be recovered by sales of the drug in the United States. Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA from approving another marketing application for the same drug or biologic for the same orphan indication for that time period. In the United States, in order for a product to receive orphan drug exclusivity, FDA must not have previously approved a drug considered the same drug for the same orphan indication, or the subsequent drug must be shown to be clinically superior to such a previously approved same drug. The applicable period of marketing exclusivity is seven years in the United States. A similar market exclusivity scheme exists in the EEA. The European Commission, on the basis of a scientific opinion by the EMA’s Committee for Orphan Medicinal Products grants Orphan Drug Designation to promote the development of products that are intended for the diagnosis, prevention, or treatment of a life-threatening or chronically debilitating condition affecting not more than five in 10,000 persons in the EU. Additionally, designation is granted for products intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition when, without incentives, it is unlikely that sales of the drug in the EU would be sufficient to justify the necessary investment in developing the drug or biological product. In any event, Orphan Drug Designation is granted only if there is no satisfactory method of diagnosis, prevention, or treatment, or, if such a method exists, the medicine must be of significant benefit to those affected by the condition. Orphan designation in the EU entitles a party to certain benefits, such as scientific assistance (protocol assistance), financial incentives such as reduction of fees or fee waivers and ten years of market exclusivity following drug or biological product approval. This orphan market exclusivity period prevents the European Commission, EMA and the competent authorities of the EU Member States from accepting an application or granting marketing authorization for any similar medicinal product intended for the same orphan indication. The orphan market exclusivity applies in parallel to the “normal” data and market exclusivity in the EEA, whereby no company can make reference to (rely on) the innovator drug company’s preclinical and clinical data in order to obtain a marketing authorization for eight years from the date of the first approval of the innovator drug in the EEA and no generic drug can be marketed for ten years from the first approval of the innovator drug in the EEA; the innovator drug may qualify for an extra year’s protection. This additional one year of marketing exclusivity may be obtained where the innovator company is granted a marketing authorization for a significant new indication for the relevant medicinal product. In such a situation, the generic company can only market their product after 11 years from the first grant of the innovator company’s marketing authorization for the product in the EEA.

Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug or biologic to meet the needs of patients with the rare disease or condition. In the EEA, orphan drug designation, and the related benefits, may be lost if it is established before the market authorization is granted that the designation criteria are no longer met.

Moreover, the ten year orphan market exclusivity in the EEA may be reduced to six years if the orphan drug designation criteria are no longer met at the end of the fifth year since grant of the approval, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity.

On April 26, 2023, as part of the EU Pharmaceutical Strategy, the European Commission published a proposal for a comprehensive revision of the EU pharmaceutical legislation (which will not apply in the UK). If adopted by the European Parliament and the Council, the new legislation is likely to significantly change the regulatory regime applicable to both the “normal” data and market exclusivity and the orphan exclusivities and reduce/modulate the exclusivities and rewards that could be granted to medicinal products. In addition, the proposal envisages changes to the concept of unmet medical need and considers introducing novel rewards for orphan medicinal products addressing a high unmet medical need. The adoption of the new legislation is not expected before 2024 and it will start to apply 18 months after the entry in force.

If we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA or the European Commission can subsequently approve the same drug for a different condition or the same condition if the FDA or the EMA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In the EEA, a marketing authorization may also be granted, for the same therapeutic indication, to a competitor with a similar medicinal product during the exclusivity period if we are unable to supply sufficient quantities of the medicinal product for which we received marketing authorization. Moreover, our orphan exclusivity may be reduced if we are unable to comply with any new obligation that may be imposed by the upcoming reform of the EU pharmaceutical legislation, as discussed above.

Moreover, a September 2021 Eleventh Circuit decision in *Catalyst Pharmaceuticals, Inc. vs. Becerra* regarding interpretation of the Orphan Drug Act exclusivity provisions as applied to drugs approved for orphan indications narrower than the drug’s orphan designation could significantly broaden the scope of orphan drug exclusivity for such products. In January 2023, the FDA, however, issued a Federal Register notice clarifying its approach to orphan drug exclusivity following the *Catalyst* decision. Consistent with the court’s decision, the FDA set aside its approval of the drug at issue in the case, but announced that, while complying with the court’s order in *Catalyst*, the FDA intended to continue to apply its regulations tying the scope of orphan-drug exclusivity to the uses or indications for which a drug is approved to matters beyond the scope of that order. Legislation has also been introduced that may reverse the *Catalyst* decision.

Receipt of marketing approval for our products and product candidates does not guarantee that they will achieve market acceptance by physicians, patients, third-party payors or others in the medical community necessary for commercial success.

The commercial success of our products and product candidates will depend upon their degree of market acceptance by physicians, patients, third-party payors and others in the medical community. Receipt of marketing approval for our products and product candidates does not guarantee that they will gain sufficient market acceptance by physicians, patients, healthcare payors and others in the medical community. The degree of market acceptance for any product or product candidates we may develop, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of such products and product candidates as demonstrated in pivotal clinical trials and published in peer-reviewed journals;
- the potential and perceived advantages compared to alternative treatments, including any similar generic treatments;
- the ability to offer these products for sale at competitive prices;
- the ability to offer appropriate patient financial assistance programs, such as commercial insurance co-pay assistance;
- convenience and ease of dosing and administration compared to alternative treatments;
- the clinical indications for which the product or product candidate is approved by FDA or comparable non-U.S. regulatory agencies;
- product labelling or product insert requirements of the FDA or other comparable non-U.S. regulatory authorities, including any limitations, contraindications or warnings contained in a product's approved labelling;
- restrictions on how the product is dispensed or distributed;
- the timing of market introduction of competitive products;
- publicity concerning these products or competing products and treatments;
- the strength of marketing and distribution support;
- favorable third-party coverage and sufficient reimbursement; and
- the prevalence and severity of any side effects or adverse events.

Sales of medical products also depend on the willingness of physicians to prescribe the treatment, which is likely to be based on a determination by these physicians that the products are safe, therapeutically effective and cost effective. In addition, the inclusion or exclusion of products from treatment guidelines established by various physician groups and the viewpoints of influential physicians can affect the willingness of other physicians to prescribe such products.

If approved, our product candidates regulated as biologics may face competition from biosimilars approved through an abbreviated regulatory pathway.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Affordable Care Act" or "ACA"), includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 (the "BPCIA"), which created an abbreviated approval pathway under section 351(k) of the PHSA for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, a section 351(k) application for a biosimilar or interchangeable product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar or interchangeable product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product submitted under section 351(a) of the PHSA containing the competing sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity, and potency of the other company's product. The law is complex and is still being interpreted and implemented by the FDA and the FDA only approved the first interchangeable biosimilar in July 2021. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. In addition, the Further Consolidated Appropriations Act, 2020, which incorporated the framework from the Creating and Restoring Equal Access To Equivalent Samples legislation, purports to promote competition in the market for drugs and biological products by facilitating the timely entry of lower-cost generic and biosimilar versions of those drugs and biological products, including by allowing generic drug, 505(b)(2) NDA or biosimilar developers to obtain access to branded drug and biological product samples. Its provisions do have the potential to facilitate the development and future approval of biosimilar versions of our products, introducing biosimilar competition that could have a material adverse impact on our business, financial condition and results of operations.

Whether approval of a biological product qualifies for reference product exclusivity turns on whether the FDA consider the approval a "first licensure." Not every licensure of a biological product is considered a "first licensure" that gives rise to its own exclusivity period. We believe that our product candidates approved as a biological product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise. The extent to which a biosimilar, once licensed, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is variable, and will depend on a number of marketplace and regulatory factors. If competitors are able to obtain marketing approval for biosimilars referencing our products, our products may become subject to competition from such biosimilars, with the attendant competitive pressure and consequences.

If we are unable to continue to expand our sales, marketing and distribution capabilities or enter into agreements with third parties to sell, market and distribute our products and product candidates, we may not be successful in commercializing those products and, if approved, product candidates.

We are currently in the process of further building out our commercial sales organization for the sales, marketing and distribution of VTAMA, which was approved by the FDA in May 2022 for the treatment of plaque psoriasis in adults in the U.S. The costs of establishing and maintaining this infrastructure may exceed the cost-effectiveness of doing so. In order to effectively market our products and, if approved, product candidates, we must continue to expand our sales, distribution, marketing, compliance, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. To achieve commercial success for our products and, if approved, product candidates, we will need an effective sales and marketing organization or to outsource these functions to third parties. To the extent we seek to do so, there is no guarantee that we will be able to enter into collaborations or strategic partnerships with third parties to engage in commercialization activities with respect to our products or product candidates.

There are risks involved with both establishing our own commercial capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force or reimbursement specialists is expensive and time consuming and could delay any product launch. If the commercial launch of a product or, if approved, product candidate for which we recruit a sales force and establish marketing and other commercialization capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition commercialization personnel.

Factors that may inhibit our efforts to commercialize a product or, if approved, product candidate on our own include:

- the inability to recruit and retain adequate numbers of effective sales, marketing, reimbursement, customer service, medical affairs, and other support personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future approved products;
- the inability of reimbursement professionals to negotiate arrangements for formulary access, reimbursement, and other acceptance by payors;
- the inability to price products at a sufficient price point to ensure an adequate and attractive level of profitability;
- restricted or closed distribution channels that make it difficult to distribute our products to segments of the patient population;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent commercialization organization.

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

If we enter into arrangements with third parties to perform sales, marketing, commercial support and distribution services, our product revenue or the profitability of product revenue may be lower than if we were to market and sell any products we may develop internally. In addition, we may not be successful in entering into arrangements with third parties to commercialize our product candidates or may be unable to do so on terms that are favorable to us. We may have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively or may expose us to legal and regulatory risk by not adhering to regulatory requirements and restrictions governing the sale and promotion of prescription drug products, including those restricting off-label promotion. If we do not establish commercialization capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our products or, if approved, product candidates.

Our current and future relationships with investigators, health care professionals, consultants, third-party payors, patient support, charitable organizations, customers, and others are subject to applicable healthcare regulatory laws, which could expose us to penalties and other risks.

Our business operations and current and potential future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient support, charitable organizations, customers, and others, expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws regulate the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our products and, if approved, product candidates. Such laws include, without limitation:

- the federal Anti-Kickback Statute, which is a criminal law that 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, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program (such as Medicare and Medicaid). The term “remuneration” has been broadly interpreted by the federal government to include anything of value. Although there are a number of statutory exceptions and regulatory safe harbors protecting certain activities from prosecution, the exceptions and safe harbors are drawn narrowly, and arrangements may be subject to scrutiny or penalty if they do not fully satisfy all elements of an available exception or safe harbor. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation; in addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. Violations of the federal Anti-Kickback Statute may result in civil monetary penalties up to \$100,000 for each violation. Civil penalties for such conduct can further be assessed under the federal False Claims Act. Violations can also result in criminal penalties, including criminal fines and imprisonment of up to 10 years. Similarly, violations can result in exclusion from participation in government healthcare programs, including Medicare and Medicaid;
- the federal false claims laws, including the False Claims Act, which imposes civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent; knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim; or knowingly making or causing to be made, a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. When an entity is determined to have violated the federal civil False Claims Act, the government may impose civil fines and penalties currently ranging from \$11,803 to \$23,607 for each false claim or statement for penalties assessed after December 13, 2021, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;
- the federal health care fraud statute (established by Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or making false or fraudulent statements relating to healthcare matters; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the Administrative Simplification provisions of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (“HITECH”), and their implementing regulations, which impose obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information on health plans, health care clearing houses and most healthcare providers (collectively, “covered entities”), and such covered entities’ “business associates,” defined as independent contractors or agents of covered entities that create, receive or obtain protected health information in connection with providing a service for or on behalf of the covered entity;
- various privacy, cybersecurity and data protection laws, rules and regulations at the international, federal, state and local level impose obligations with respect to safeguarding the privacy, security, and cross-border transmission of personally identifiable data, including personal health information;
- the federal Civil Monetary Penalties Law, which authorizes the imposition of substantial civil monetary penalties against an entity that engages in activities including, among others (1) knowingly presenting, or causing to be presented, a claim for services not provided as claimed or that is otherwise false or fraudulent in any way; (2) arranging for or contracting with an individual or entity that is excluded from participation in federal health care programs to provide items or services reimbursable by a federal health care program; (3) violations of the federal Anti-Kickback Statute; or (4) failing to report and return a known overpayment;

- 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 certain exceptions) to report annually to the government information related to payments or other “transfers of value” made to physicians, certain other healthcare providers, and teaching hospitals, and requires applicable manufacturers and group purchasing organizations to report annually to the government ownership and investment interests held by the physicians described above and their immediate family members and payments or other “transfers of value” to such physician owners (covered manufacturers are required to submit reports to the government by the 90th day of each calendar year); and
- analogous state and EU and foreign national laws and regulations, such as state anti-kickback and false claims laws, which may apply to our business practices, including but not limited to, research, distribution, sales, and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; 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, and 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; and several recently passed state laws that require disclosures related to state agencies and/or commercial purchasers with respect to certain price increases that exceed a certain level as identified in the relevant statutes, some of which contain ambiguous requirements that government officials have not yet clarified; and EU and foreign national laws prohibiting promotion of prescription-only medicinal products to individuals other than healthcare professionals, governing strictly all aspects of interactions with healthcare professionals and healthcare organizations, including prior notification, review and/or approval of agreements with healthcare professionals, and requiring public disclosure of transfers of value made to a broad range of stakeholders, including healthcare professionals, healthcare organizations, medical students, physicians associations, patient organizations and editors of specialized press.

Efforts to ensure that our current and future business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable healthcare laws. If our operations are found to be in violation of any of these or any other applicable health regulatory laws that may apply to us, we may be subject to significant penalties, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, individual imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Even the mere issuance of a subpoena, civil investigative demand or the fact of an investigation alone, regardless of the merit, may result in negative publicity, a drop in our share price and other harm to our business, financial condition and our results of operations. Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

Healthcare legislative and regulatory measures aimed at reducing healthcare costs may have a material adverse effect on our business and results of operations.

The United States and many other jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could restrict or regulate post-approval activities for our products and affect our ability to profitably sell our products, and prevent or delay marketing approval of our current and any future product candidates. Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to product labelling; (iii) the recall or discontinuation of our products; or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs, including costs for pharmaceuticals. For example, in March 2010, the ACA was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, subjected biological products to potential competition by lower-cost biosimilars, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and created a Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer’s outpatient drugs to be covered under Medicare Part D. However, effective January 1, 2025, this program will be replaced as a part of the Part D benefit redesign enacted under the IRA.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future, with unpredictable and uncertain results. During previous Congressional sessions, Congress had introduced several pieces of legislation aimed at significantly revising or repealing the ACA and may in the future consider legislation to replace, modify or augment elements of the ACA.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect in 2013, and, due to subsequent legislative amendments, will remain in effect through the first six months of 2023 unless additional Congressional action is taken. However, the Medicare sequester reductions under the Budget Control Act were suspended from May 1, 2020 through March 31, 2022 due to the COVID-19 pandemic. There was a 1% reduction through the end of June 2022, after which the cuts returned to 2%. Absent further Congressional action, there is a possibility that an up to 4% Medicare sequester could be triggered in January 2023, pursuant to the Statutory Pay-As-You-Go Act of 2010 ("PAYGO"). Under PAYGO, if the five- or ten-year PAYGO scorecard shows a net cost at the end of a Congressional session, then the Office of Management and Budget is required to issue a sequestration order. The American Rescue Plan Act of 2021 was expected to trigger a PAYGO sequestration order at the end of the 2021 Congressional session. However, subsequent legislation has delayed a Statutory PAYGO sequestration order until after 2024.

There has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, and reform government program reimbursement methodologies for drugs. In July 2021, President Biden issued an executive order pertaining to drug pricing, which expressed support for legislation allowing direct negotiation in Medicare Part D and inflationary rebates, and directed various executive branch agencies to take actions to lower drug prices and promote generic competition. Moreover, in August 2022, Congress enacted the IRA, a law with sweeping changes to the payment of drugs under the Medicare program. Among other provisions, the IRA contains (i) a drug price negotiation program for certain high spend Medicare drugs that have been on the market for a certain length of time and lack generic or biosimilar competition under which Medicare prices for such drugs are capped by a "maximum fair price"; (ii) new manufacturer rebate obligations on certain drugs paid under Medicare Part B or D whose prices increase faster than inflation relative to a benchmark period; and (iii) a redesign of the Part D benefit, including capping patients' annual out-of-pocket costs on Part D drugs, lowering the beneficiary out-of-pocket threshold, streamlining the Part D benefit to eliminate the "coverage gap" phase, and replacing the manufacturer coverage gap discount program with a new manufacturer discount program that provides discounts throughout the post-deductible benefit phases. It is possible that Congress or the Administration may take further actions to control drug prices. In October 14, 2022, President Biden issued an executive order calling on the Secretary to consider whether to select for testing by the CMS innovation center new health care payment and delivery models that would lower drug costs and promote access to innovative drug therapies for beneficiaries enrolled in the Medicare and Medicaid programs, including models that may lead to lower cost-sharing for commonly used drugs and support value-based payment that promotes high-quality care. We cannot predict how these new provisions would be implemented or their impact on Roivant.

Additionally, U.S. regulators continue to pursue policies designed to lower drug costs for federal programs and patients. In May 2019, the CMS, issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. Additionally, on November 20, 2020, HHS finalized a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. This rulemaking also created a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. However, Congress has adopted various delays on the implementation or enforcement of the rule, including a postponement until January 2032 under the IRA. On December 31, 2020, CMS enacted a final rule expanding the scope of drug products that may be considered "line extensions" subject to inflationary rebates under the Medicaid Drug Rebate Program.

Moreover, upcoming legislative and policy changes in the EU and the UK, some of which may materialize in the near term, are aimed at increasing accessibility and affordability of medicinal products, as well as at increased cooperation between the EU Member States. Such initiatives may further impact the price and reimbursement status of our products in the future.

There have been, and likely will continue to be, legislative and regulatory proposals at the national and state levels in jurisdictions around the world directed at containing or lowering the cost of healthcare, including prescription drugs. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products and, if approved, our product candidates. Such reforms could have an adverse effect on anticipated revenue from our products and, if approved, product candidates and may affect our overall financial condition and ability to develop future product candidates and obtain marketing approval for those product candidates. We cannot predict the initiatives that may be adopted in the future. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect:

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

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

Coverage and adequate reimbursement may not be available for our products and, if approved, product candidates, which could make it difficult for us to profitably sell our products and, if approved, product candidates.

Market acceptance and sales of our products and, if approved, product candidates will depend in part on the extent to which coverage and adequate reimbursement for these products and product candidates and related treatments will be available from third-party payors, including government health administration authorities and private health insurers. The pricing and reimbursement of our products and, if approved, product candidates, must be adequate to support commercial infrastructure. If we are unable to obtain adequate levels of reimbursement, our ability to successfully market and sell our products and, if approved, product candidates, will be adversely affected. The manner and level at which reimbursement is provided for services related to our products and product candidates (e.g., for administration of our products to patients) is also important. Inadequate reimbursement for such services may lead to physician resistance and adversely affect our ability to market or sell our products and, if approved, product candidates. There is no assurance that our products or, if approved, product candidates, would achieve adequate coverage and reimbursement levels.

In the United States, no uniform policy of coverage and reimbursement exists among third-party payors. Third-party payors decide which drugs they will pay for and establish reimbursement levels. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided for any product or, if approved, product candidate will be made on a plan-by-plan basis. For example, while we have previously disclosed successes in achieving payor coverage for VTAMA, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage, and adequate reimbursement, for the product. Discussions with payors, including PBMs, related to VTAMA are ongoing and whether such payors will provide coverage for VTAMA, and if so to what extent, is uncertain at this time. Additionally, a third-party payor's decision to provide coverage for a drug does not imply that an adequate reimbursement rate will be approved. Each plan determines whether or not it will provide coverage for a drug, what amount it will pay the manufacturer for the drug, on what tier of its formulary the drug will be placed and whether to require step therapy. The position of a drug on a formulary generally determines the co-payment that a patient will need to make to obtain the drug and can strongly influence the adoption of a drug by patients and physicians. Patients who are prescribed treatments for their conditions and providers prescribing such services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Patients are unlikely to use our product or, if approved, product candidates, unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of the product or product candidate. Further, from time to time, typically on an annual basis, payment rates are updated and revised by third-party payors. Such updates could impact the demand for our products or, if approved, product candidates, to the extent that patients who are prescribed our products or, if approved, product candidates, are not separately reimbursed for the cost of the product.

The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price of a product or for establishing the reimbursement rate that such a payor will pay for the product. Even if we obtain adequate levels of reimbursement, third-party payors, such as government or private healthcare insurers, carefully review and increasingly question the coverage of, and challenge the prices charged for, products. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Increasingly, third-party payors are requiring that pharmaceutical companies provide them with predetermined discounts from list prices and are challenging the prices for products. We may also be required to conduct expensive pharmacoeconomic studies to justify the coverage and the amount of reimbursement for particular medications. We cannot be sure that coverage and reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Inadequate coverage and reimbursement may impact the demand for, or the price of, any product or, if approved, product candidate. If coverage and adequate reimbursement are not available, or are available only to limited levels, we may not be able to successfully commercialize any product or, if approved, product candidate that we develop.

Additionally, there have been a number of legislative and regulatory proposals to change the healthcare system in the United States and in some other jurisdictions that could affect our ability to profitably sell any product or, if approved, product candidate. These legislative and regulatory changes may negatively impact the reimbursement for any product or, if approved, product candidate. There can be no assurance that our products or, if approved, product candidates, will be considered medically reasonable and necessary, that they will be considered cost-effective by third-party payors, that coverage or an adequate level of reimbursement will be available, or that reimbursement policies and practices in the United States and in other countries where our products and, if approved, product candidates, are sold will not harm our ability to profitably sell our products and, if approved, product candidates.

In the EU, similar political, economic and regulatory developments may affect our ability to profitably commercialize our products or, if approved, product candidates. In addition to continuing pressure on prices and cost containment measures, legislative developments in the EU or the EU Member States may harm our ability to profitably sell our products and, if approved, product candidates. The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national EU Member States law. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. The healthcare budgetary constraints in most countries have resulted in restrictions on the pricing and reimbursement of medicines, and a similar approach is taken in the UK where a key consideration is the affordability of drugs for treatment of patients under the National Health Service. In markets outside of the United States, EU and UK, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. All of this could affect our ability to commercialize our products and, if approved, product candidates.

Recent federal legislation and actions by state and local governments may permit reimportation of drugs from foreign countries into the United States, including foreign countries where the drugs are sold at lower prices than in the United States, which could materially adversely affect our operating results.

We may face competition in the United States for our products and, if approved, product candidates, from therapies sourced from foreign countries that have placed price controls on pharmaceutical products. In the United States, the Medicare Modernization Act (“MMA”) contains provisions that may change U.S. importation laws and expand pharmacists’ and wholesalers’ ability to import cheaper versions of an approved drug and competing products from Canada, where there are government price controls. These changes to U.S. importation laws will not take effect unless and until the Secretary of the HHS certifies that the changes will pose no additional risk to the public’s health and safety and will result in a significant reduction in the cost of products to consumers. On September 23, 2020, the Secretary of HHS made such certification to Congress, and on October 1, 2020, the FDA published a final rule that allows for the importation of certain prescription drugs from Canada. Under the final rule, States and Indian Tribes, and in certain future circumstances pharmacists and wholesalers, may submit importation program proposals to the FDA for review and authorization. Since the issuance of the final rule, on November 23, 2020, several industry groups filed federal lawsuits in the U.S. District Court for the District of Columbia, requesting injunctive relief to prevent implementation of the rule. The court dismissed the case in February 2023. Further, authorities in Canada have passed rules designed to safeguard the Canadian drug supply from shortages. On September 25, 2020, CMS stated drugs imported by States under this rule will not be eligible for federal rebates under Section 1927 of the Social Security Act and manufacturers would not report these drugs for “best price” or Average Manufacturer Price purposes. Since these drugs are not considered covered outpatient drugs, CMS further stated it will not publish a National Average Drug Acquisition Cost for these drugs. Separately, the FDA also issued a final guidance document outlining a pathway for manufacturers to obtain an additional National Drug Code (“NDC”), for an FDA-approved drug that was originally intended to be marketed in a foreign country and that was authorized for sale in that foreign country. In addition, the July 2021 executive order pertaining to drug pricing directs the FDA to support and work with States and Indian Tribes to develop importation plans to import prescription drugs from Canada under the MMA and final rule. If implemented, importation of drugs from Canada may materially and adversely affect the price we receive for our products and, if approved, product candidates. The regulatory and market implications of the final rule and guidance are unknown at this time. Proponents of drug reimportation may attempt to pass legislation that would directly allow reimportation under certain circumstances. Legislation or regulations allowing the reimportation of drugs, if enacted, could decrease the price we receive for our products and, if approved, product candidates and adversely affect our future revenues and prospects for profitability.

Other Risks Related to Our Business and Industry

We depend on the knowledge and skills of our senior leaders and may not be able to manage our business effectively if we are unable to attract and retain key personnel.

We have benefited substantially from the leadership, performance and vision of our senior leaders, including our Principal Executive Officer, Matthew Gline, as well as other senior executives at Roivant and the Vants. We rely greatly on the investment experience and medical and scientific expertise of our senior leadership team to identify product candidates and guide future investments and opportunities, as well as the drug development expertise of our and the Vants' senior leadership to guide the preclinical and clinical development of our product candidates. Our success will depend on our ability to retain our current management team. In addition, while we expect to engage in an orderly transition process as we integrate newly appointed officers and managers, we face a variety of risks and uncertainties related to management transition, including diversion of management attention from business concerns, failure to retain other key personnel or loss of institutional knowledge. Competition for senior leadership in the healthcare investment industry is intense, and we cannot guarantee that we will be able to retain our key personnel or that of our Vants.

Our senior leaders and key employees may terminate their positions with us at any time. Due to the small number of employees at some of the Vants, the loss of a key employee may have a larger impact on our business. In particular, we rely on a limited number of employees in certain key jurisdictions, including the United Kingdom (the "U.K.") and Switzerland. If we lose one or more members of our or the Vants' senior leadership teams or other key employees, our ability to successfully implement our business strategies could be adversely impacted. Replacing these individuals may be difficult, cause disruption and may take an extended period of time due to the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of, and commercialize product candidates successfully. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate additional key personnel. We do not maintain "key person" insurance for any members of our senior leadership team or other employees.

To encourage valuable employees to remain at our company, in addition to salary and cash incentives, we have provided certain equity awards that vest over time. The value to employees of equity awards that vest over time may be significantly affected by movements in our share price that are beyond our control and may at any time be insufficient to counteract more lucrative offers from other companies. Despite our efforts to retain invaluable employees, members of our management, scientific and development teams may terminate their employment with us at any time. Although we have employment agreements with our key employees, certain of these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level and senior managers as well as junior, mid-level and senior scientific and medical personnel.

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

In connection with our continued growth, we expect to hire, either directly or through our current or future affiliates, additional employees for our managerial, finance and accounting, clinical, scientific and engineering, regulatory, operational, manufacturing, sales and marketing teams. We may have difficulties in connection with identifying, hiring, integrating and retaining new personnel. Future growth would impose significant additional responsibilities on management, including the need to identify, recruit, maintain, motivate and integrate additional employees, consultants and contractors. Also, management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of operations across our entities, which may result in weaknesses in infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our future growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of product candidates. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenues could be reduced, and we may not be able to implement our business strategy. Our future financial performance and ability to commercialize product candidates and new technologies and compete effectively will partly depend on our ability to effectively manage any future growth.

Many of the other pharmaceutical and healthcare technology companies that we compete against for qualified personnel and consultants have greater financial and other resources, different risk profiles and a longer operating history in the industry than us. They also may provide more diverse opportunities and better chances for career advancement. Some of these opportunities may be more appealing to high-quality candidates and consultants than what we have to offer. If we are unable to continue to attract and retain high-quality personnel and consultants, the rate and success at which we can discover and develop our products and product candidates will be harmed, which could negatively impact our financial condition, results of operations and cash flows.

Our international operations may expose us to business, legal, regulatory, political, operational, financial and economic risks associated with conducting business globally.

Part of our business strategy involves potential expansion internationally with third-party collaborators to seek regulatory approval for our products and product candidates globally. Doing business internationally involves a number of risks, including but not limited to:

- multiple conflicting and changing laws and regulations such as tax laws, export and import restrictions, employment laws, anti-bribery and anti-corruption laws, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us or our collaborators to obtain appropriate licenses or regulatory approvals for the sale or use of our products or, if approved, product candidates, in various countries;
- difficulties in managing operations in different jurisdictions;
- complexities associated with managing multiple payor-reimbursement regimes or self-pay systems;
- financial risks, such as longer payment cycles, difficulty enforcing contracts and collecting accounts receivable and exposure to currency exchange rate fluctuations;
- varying protection for intellectual property rights;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions; and
- failure to comply with the United States Foreign Corrupt Practices Act (the “FCPA”), including its books and records provisions and its anti-bribery provisions, the United Kingdom Bribery Act 2010 (the “U.K. Bribery Act”), and similar anti-bribery and anti-corruption laws in other jurisdictions, for example by failing to maintain accurate information and control over sales or distributors’ activities.

Any of these risks, if encountered, could significantly harm our future international expansion and operations and, consequently, negatively impact our financial condition, results of operations and cash flows.

Unfavorable global and regional economic, political and health conditions could adversely affect our business, financial condition or results of operations.

Our business could be adversely affected by global or regional economic, political and health conditions. For example, various macroeconomic factors could adversely affect our business, financial condition and results of operations, including changes in inflation, interest rates and overall economic conditions and uncertainties, including those resulting from political instability (including workforce uncertainty), trade disputes between nations and the current and future conditions in the global financial markets. For example, if sustained high rates of inflation or other factors were to significantly increase our business costs, we may be unable to manage such increased expenses or pass through price increases. A global financial crisis or global or regional political and economic instability, wars, terrorism, civil unrest, outbreaks of disease (for example, COVID-19), and other unexpected events, such as supply chain constraints or disruptions, could cause extreme volatility in the capital and credit markets and disrupt our business. Business disruptions could include, among others, disruptions to our commercial activities, including due to supply chain or distribution constraints or challenges, clinical enrollment, clinical site availability, patient accessibility, and conduct of our clinical trials, as well as temporary closures of the facilities of suppliers or contract manufacturers in the biotechnology supply chain. In addition, during certain crises and events, patients may prioritize other items over certain or all of their treatments and/or medications, which could have a negative impact on our commercial sales. The COVID-19 outbreak, including developments involving subsequent COVID-19 variants, significantly affected the financial markets of many countries and resulted and may in the future result in a variety of federal, state and local orders, guidance and restrictions. We cannot, at this time, predict the continued impact that the COVID-19 pandemic will have on our ongoing and planned clinical trials and other business operations, including our commercialization activities. A severe or prolonged economic downturn, political disruption or adverse health conditions could result in a variety of risks to our business, including our ability to raise capital when needed on acceptable terms, if at all. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the political or economic climate and financial market conditions could adversely impact our business.

We face significant competition in an environment of rapid technological and scientific change, and there is a possibility that our competitors may achieve certain regulatory approvals before us or develop therapies that are safer, more advanced or more effective than ours, which may negatively impact our ability to successfully market or commercialize our products and, if approved, product candidates and ultimately harm our financial condition.

The development and commercialization of new drug products is highly competitive. Now and in the future we may face competition from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide with respect to our products and product candidates. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

There are a number of large pharmaceutical and biotechnology companies that are currently pursuing the development and commercialization of products and product candidates for the treatment of the indications that we are also pursuing. Examples of such competing products include, but are not limited to:

- ZORYVE (roflumilast), a topical PDE4 inhibitor, a potential competitor to VTAMA;
- OPZELURA (ruxolitinib), a topical Janus kinase inhibitor, a potential competitor to VTAMA;
- PRA023, an TL1A antibody, a potential competitor to RVT 3101;
- VYVGART (efgartigimod alfa-fcab), a neonatal Fc receptor blocker, a potential competitor to batoclimab and IMVT-1402;
- Nipocalimab and rozanolixizumab, anti-FcRn antibodies, potential competitors to batoclimab and IMVT-1402;
- TEPEZZA (teprotumumab-trbw), an insulin-like growth factor-1 receptor inhibitor, a potential competitor to batoclimab; and
- SOTYKTU (deucravacitinib), a TYK2 inhibitor, a potential competitor to brepocitinib.

Many of our current or potential competitors, either alone or with their strategic partners, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do.

Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than our products and product candidates. Furthermore, currently approved products could be discovered to have application for treatment of our targeted disease indications or similar indications, which could give such products significant regulatory and market timing advantages over our products and product candidates. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours and may obtain orphan product exclusivity from the FDA for indications that we are targeting, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, products or technologies developed by our competitors may render our products or product candidates uneconomical or obsolete and we may not be successful in marketing our products or, if approved, any product candidates we may develop against competitors.

In addition, we could face litigation or other proceedings with respect to the scope, ownership, validity and/or enforceability of our patents relating to our competitors' products and our competitors may allege that our products or product candidates infringe, misappropriate or otherwise violate their intellectual property. The availability of our competitors' products could limit the demand, and the price we are able to charge, for our products and, if approved, any product candidates we may develop.

The markets in which our healthcare technology Vants participate are competitive, and if we do not compete effectively, our business and operating results could be adversely affected.

The overall market for healthcare technologies and software is global, rapidly evolving, competitive and subject to changing technology and shifting customer focus. Our healthcare technology Vants, including Lokavant, a clinical trial technology company, and VantAI, which uses machine learning to build computational models to generate new molecular entities for targets of interest, face competition from well-established providers of similar solutions, certain of which may have long-standing relationships with many of our current and potential customers, including large biopharmaceutical companies. We also face competition from solutions that biopharmaceutical companies develop internally and from smaller companies that offer products and services directed at more specific markets than we target, enabling these smaller competitors to focus a greater proportion of their efforts and resources on these markets, as well as a large number of companies that have been founded with the goal of applying machine learning technologies to drug discovery.

Many of our competitors are able to devote greater resources to the development, promotion, and sale of their software solutions and services. Third parties with greater available resources and the ability to initiate or withstand substantial price competition could acquire our current or potential competitors. Our competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their product offerings or resources. If our competitors' products, services or technologies become more accepted than our solutions, if our competitors are successful in bringing their products or services to market earlier than ours, if our competitors are able to respond more quickly and effectively to new or changing opportunities, technologies, or customer requirements, or if their products or services are more technologically capable than ours, then the business and prospects of these Vants could be adversely affected.

In addition, we are facing increasing competition from other companies that are utilizing artificial intelligence (“AI”) and other computational approaches for drug discovery. Some of these competitors are involved in drug discovery themselves and/or with partners, and others develop software or other tools utilizing AI which can be used, directly or indirectly, in drug discovery. To the extent these other AI approaches to drug discovery prove to be more successful than our approaches, we may not be successful in identifying potential targets or attracting collaborators to work with us.

We and our subsidiaries are subject to litigation and investigation risks which could adversely affect our business, results of operations and financial condition and could cause the market value of our Common Shares to decline. Insurance coverage may not be available for, or adequate to cover, all potential exposure for litigation and other business risks.

We and our subsidiaries are from time to time subject to various litigation matters and claims, including regulatory proceedings, administrative proceedings, securities litigation and other lawsuits, and governmental investigations. In addition, we and our subsidiaries may receive requests for information from governmental agencies in connection with their regulatory or investigatory authority or from private third parties pursuant to subpoena. These proceedings may be complex and prolonged, and may occupy the resources of our and our subsidiaries’ management and employees. These proceedings are also costly to prosecute and defend and may involve substantial awards or damages payable by us or our subsidiaries if not favorably resolved. We and our subsidiaries may be required to pay substantial amounts or grant certain rights on unfavorable terms in order to settle such proceedings. We also face risks relating to litigation arising from judgments made by us and the Vants as to the materiality of any developments in our businesses, including with respect to preclinical and clinical data, and the resulting disclosure (or lack thereof) may give rise to securities litigation.

We maintain insurance policies for certain litigation and various business risks, but such policies may not be adequate to compensate us for any or all potential losses. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance, if available, may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management’s attention. Because of the uncertain nature of litigation, investigations and insurance coverage decisions, it is not possible to predict the outcome of these matters as they arise from time to time, and they could have a material adverse effect on our and our subsidiaries’ business, results of operations, and financial condition, could impact our ability to consummate a transaction that is challenged or otherwise subject to such litigation and could cause the market value of our Common Shares to decline.

We may not hold a controlling stake in certain of our Vant affiliates and thus may not be able to direct our business or the development of our product candidates.

In certain of our Vants, we may hold less than a majority ownership interest or otherwise be limited in our ability to direct or control the business and the development of the product candidates or technologies at the Vant. In addition, for certain other Vants, including Immunovant, we may in the future come to hold less than a majority ownership interest in the Vant. Furthermore, even if we own a majority ownership interest in a Vant, we may not necessarily be able to control the outcome of certain corporate actions. If the business or development of a product candidate at one of these Vants were to face challenges, we would be adversely affected as a result and would be limited in our ability to cause or influence the Vant in question to take appropriate remediative actions.

Our business and operations would suffer in the event of system failures, cyber-attacks or a deficiency in our cyber-security protections.

Our computer systems, as well as those of various third parties on which we presently rely, or may rely on in the future, including our CROs and other contractors, consultants and law and accounting firms, may sustain damage from or otherwise be subject to computer viruses, unauthorized access, data breaches, phishing attacks, cybercriminals, natural disasters (including hurricanes and earthquakes), terrorism, war and telecommunication and electrical failures. Such information technology systems are additionally vulnerable to security breaches from inadvertent or intentional actions by our employees, third-party vendors, contractors, consultants, business partners, and/or other third parties. Any of the foregoing may compromise our system infrastructure, or that of our third-party vendors and other contractors and consultants, or lead to data leakage. The risks of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by traditional computer “hackers,” threat actors, personnel (such as through theft or misuse), sophisticated nation-state and nation-state-supported actors, sovereign governments and cyber terrorists, have generally increased over time, including for geopolitical reasons and in conjunction with military conflicts and defense activities, along with the number, intensity and sophistication of attempted attacks and intrusions from around the world. 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 cyber-attacks that could materially disrupt our systems and operations, supply chain and ability to produce, sell and distribute our products and product candidates. Currently and in the coming years, there may be an increased risk of cybersecurity attacks due to the Russian invasion of Ukraine, including cybersecurity attacks perpetrated by Russia or others at its direction in response to economic sanctions and other actions taken against Russia as a result of the invasion. Any increase in such attacks on us or our third-party vendors or other systems could adversely affect our network systems or other operations.

We generally require our third-party providers to implement effective security measures and to identify and correct for any information technology security failures, deficiencies or breaches. Although we seek to supervise such third parties' security measures, our ability to do so is limited. If the information technology systems of our third-party vendors and other contractors and consultants become subject to disruptions or security breaches, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such incidents and to develop and implement protections to prevent future events of this nature from occurring.

We cannot anticipate all possible types of security threats and we cannot guarantee that our data protection efforts and our investments in information technology will prevent significant breakdowns, data leakages, security breaches in our systems, or those of our third-party vendors and other contractors and consultants, or other cyber incidents that could have a material adverse effect upon our reputation, business, operations, or financial condition. If a significant cybersecurity compromise were to occur, it could result in a material disruption of our commercialization efforts, drug development programs and other business operations. For example, the loss of nonclinical or clinical trial data from completed, ongoing or planned trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. In addition, we rely on third parties to supply components for and to manufacture our product candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of or damage to our data or applications, or in an inappropriate disclosure of personal, confidential or proprietary information, we could incur liability and reputational damage and the commercialization efforts for our products and further development of any product candidate could be delayed. The costs related to significant security breaches or disruptions could be material and exceed the limits of the cybersecurity insurance we maintain against such risks.

We are subject to stringent privacy, data protection and information security laws, regulations, policies and contractual obligations related to data privacy and security and changes in such laws, regulations, policies and contractual obligations could adversely affect our business.

We are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage and use of personally-identifying information, which among other things, impose requirements relating to the privacy, security, transmission and disposal of personal information. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide. Failure to comply with applicable privacy and data security laws and regulations could result in enforcement actions against us, including possible fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

There are numerous U.S. federal and state laws and regulations related to the privacy, data protection and security of personal information. At the federal level, regulations promulgated pursuant to HIPAA establish privacy and security standards for "covered entities" (group health plans and most healthcare providers) that limit the use and disclosure of individually identifiable health information those entities receive or create ("protected health information"), and require the implementation of administrative, physical and technological safeguards to protect the security, confidentiality, integrity and availability of electronic protected health information. While we generally are not subject to the HIPAA privacy or security regulations, we do business with various entities that are subject to those HIPAA regulations (including clinical trial investigators) and we have to expend resources to understand their obligations, adjust contractual relationships in light of those obligations, or otherwise modify our business practices. Congress has considered expanding the scope of the HIPAA privacy and security regulations and we may in the future ourselves become subject to them or similar regulations, which would require us to make additional expenditures and create additional liability risks.

In addition, many U.S. states in which we operate have laws that protect the privacy and security of personal information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, the California Confidentiality of Medical Information Act (the “CMIA”), a statute similar to the HIPAA privacy and security regulations, expressly applies to pharmaceutical companies (as well as companies that provide certain technologies for processing personal health information), and imposes stringent data privacy and security requirements and obligations with respect to the personal health information of California residents. Among other things, the CMIA, with limited exceptions, requires that a pharmaceutical company obtain a signed, written authorization from a patient or company employee in order to disclose his or her personal health information and requires pharmaceutical companies to maintain reasonable security measures to protect such information. The CMIA authorizes administrative fines and civil penalties of up to \$25,000 for willful violations and up to \$250,000 if the violation is for purposes of financial gain, as well as criminal fines. In addition, another more broadly applicable California law, the California Consumer Privacy Act of 2018 (the “CCPA”), which was substantially amended in 2020 pursuant to the California Privacy Rights Act (the “CPRA”) generally requires us to provide notice to California residents regarding the personal information we collect, use and share and to honor such residents’ privacy rights, including the right to opt-out of the sale of their personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data security breaches that result in the compromise of highly sensitive personal information, which may increase the likelihood of, and risks associated with, data breach litigation. Both the California Attorney General and an agency established pursuant to the CPRA amendments, the California Privacy Protection Agency, have authority to implement and enforce the CCPA. California’s aggressive steps to protect consumer privacy have been followed by similar actions in the legislatures of other states, including Virginia, Colorado, Utah, Connecticut, Iowa, Indiana, Montana and Tennessee, all of which have passed CCPA/CPRA-like legislation to provide their respective residents with similar rights. Recently, Washington State enacted a broadly applicable law to protect the privacy of personal health information specifically, the “My Health, My Data Act,” which generally requires consent for the collection, use, or sharing of any such information. New legislation anticipated to be enacted in various other states will continue to shape the data privacy environment nationally. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. The effects on our business of this growing body of privacy and data protection laws are potentially significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply.

Outside of the United States, laws, regulations and standards in many jurisdictions apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal information. For example, in EEA, the collection and use of personal data is governed by the provisions of the General Data Protection Regulation (the “GDPR”). The GDPR came into effect in May 2018, superseding the European Union Data Protection Directive, and imposing more stringent data privacy and security requirements on companies in relation to the processing of personal data. The GDPR, together with national legislation, regulations and guidelines of the EU member states governing the processing of personal data, impose strict obligations on controllers, including *inter alia*: (i) accountability and transparency requirements, and enhanced requirements for obtaining valid consent; (ii) obligations to consider data protection as any new products or services are developed and to limit the amount of personal data processed; (iii) obligations to comply with data protection rights of data subjects; and (iv) reporting of certain personal data breaches to the supervisory authority without undue delay (and no later than 72 hours where feasible). The GDPR also prohibits the transfer of personal data from the EEA to countries outside of the EEA unless made to a country deemed to have adequate data privacy laws by the European Commission or a data transfer mechanism has been put in place. The EU-US Privacy Shield was such a transfer mechanism put in place by the EU and the United States, but the Privacy Shield was invalidated for international transfers of personal data in July 2020 by the Court of Justice of the European Union (“CJEU”). A replacement of the Privacy Shield is currently being developed. On December 13, 2022, following the signature of a U.S. Executive Order by President Biden on October 7, 2022, the European Commission issued a draft adequacy decision which, if adopted and not successfully challenged in court, is intended to address the concerns expressed by CJEU in their 2016 ruling and allow transfer of personal data from the EEA to companies in the U.S. which commit to comply with the EU-U.S. Data Privacy Framework. At the moment it is unclear if the adequacy decision will be adopted at EU level and whether the anticipated legal challenges against this decision, which may be similar to the challenge that led to the invalidation of the Privacy Shield, would be successful. In a related vote on May 11, 2023, the European Parliament adopted a resolution calling on the European Commission not to adopt the adequacy decision in its present form but to continue negotiations with the U.S. to ensure that the new framework addresses the concerns expressed by the CJEU. The European Parliament’s resolution is not binding on the Commission but it will be taken into account by the Commission when considering its adequacy decision.

The CJEU upheld the validity of standard contractual clauses (“SCCs”) as a legal mechanism to transfer personal data but companies relying on SCCs will, subject to additional guidance from regulators in the EEA and the U.K., need to evaluate and implement supplementary measures that provide privacy protections additional to those provided under SCCs. Due to potential legal challenges, it remains to be seen whether SCCs will remain a valid legal mechanism and whether additional means for lawful data transfers will become available. In June 2021, the European Commission adopted new SCCs that are designed to be a mechanism by which entities can transfer personal information out of the EEA to jurisdictions that the European Commission has not found to provide an adequate level of protection. Currently, the SCCs are a valid mechanism to transfer personal information outside of the EEA. The SCCs, however, require parties that rely upon that legal mechanism to comply with additional obligations, such as conducting transfer impact assessments to determine whether additional security measures are necessary to protect the transferred personal information. The new SCCs may increase the legal risks and liabilities under European privacy, data protection, and information security laws. Given that, at present, there are few, if any, viable alternatives to the SCCs, any transfers by us or our vendors of personal information from Europe may not comply with European data protection law, which may increase our exposure to the GDPR’s heightened sanctions for violations of its cross-border data transfer restrictions and may prohibit our transfer of E.U. personal information outside of the E.U. (including clinical trial data), and may adversely impact our operations, product development and ability to provide our products. Moreover, the competent authorities and courts in a number of EU Member States increasingly scrutinize and question the GDPR compliance of processing of personal data by US-based entities or entities with links to US-based entities, independently of whether personal data is actually transferred outside the EEA. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. Such fines are in addition to any civil litigation claims by customers and data subjects. European data protection authorities may interpret the GDPR and national laws differently and impose additional requirements, which contributes to the complexity of processing personal data in or from the EEA. In June 2021, the CJEU issued a ruling that expanded the scope of the “one stop shop” under the GDPR. According to the ruling, the competent authorities of EU Member States may, under certain strict conditions, bring claims to their national courts against a company for breaches of the GDPR, including unlawful cross-border processing activities, even such company does not have an establishment in the EU member state in question and the competent authority bringing the claim is not the lead supervisory authority.

Further, as of January 1, 2021, and the expiry of transitional arrangements agreed to between the United Kingdom and the EU (*i.e.*, following the United Kingdom's exit from the EU—otherwise known as Brexit), data processing in the United Kingdom is governed by a United Kingdom version of the GDPR (combining the GDPR and the Data Protection Act 2018), exposing us to two parallel regimes, each of which potentially authorizes similar fines and other potentially divergent enforcement actions for certain violations. With respect to transfers of personal data from the EEA to the United Kingdom, on June 28, 2021 the European Commission issued an adequacy decision in respect of the United Kingdom's data protection framework, enabling data transfers from EU member states to the United Kingdom to continue without requiring organizations to put in place contractual or other measures in order to lawfully transfer personal data between the territories. While it is intended to last for at least four years, this adequacy decisions will automatically expire in June 2025 unless the European Commission renews or extends it and may be modified or unilaterally revoked in the interim at any point, and if this occurs it could lead to additional costs and increase our overall risk exposure. Moreover, other countries have also passed or are considering passing laws requiring local data residency or restricting the international transfer of data.

If we or our third-party service providers are unable to properly protect the privacy and security of personal information, or other sensitive data we process in our business, we could be found to have breached our contracts. Further, if we fail to comply with applicable privacy laws, we could face civil and criminal penalties. Enforcement activity from state Attorneys General and agencies such as the California Privacy Protection Agency, the Federal Trade Commission, EU Data Protection Authorities and other regulatory authorities in relation to privacy and cybersecurity matters can result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In the United States, the threat of class action lawsuits based on data security breaches or alleged unfair practices adds a further layer of risk. We cannot be sure how these privacy laws and regulations will be interpreted, enforced or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws and regulations at the federal and state level may be costly and require ongoing modifications to our policies, procedures and systems.

Data privacy remains an evolving landscape at both the domestic and international level, with new laws and regulations being adopted and coming into effect. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices. Significant resources are needed to understand and comply with this changing landscape. Failure to comply with federal, state and international laws regarding privacy and security of personal information could expose us to penalties under such laws. Any such failure to comply with data protection and privacy laws could result in government-imposed fines or orders requiring that we change our practices or unwind certain lines of business, claims for damages or other liabilities, regulatory investigations and enforcement action, litigation and significant costs for remediation, any of which could adversely affect our business. Even absent any findings that we have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our business, financial condition, results of operations or prospects.

Our or our affiliates' employees, independent contractors, principal investigators, consultants, commercial collaborators, service providers and other vendors or potential collaborators may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could harm our results of operations.

We are exposed to the risk that our or our affiliates' employees and contractors, including principal investigators, CROs, CMOs, consultants, commercial collaborators, service providers and other vendors may engage in misconduct or other illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or other unauthorized activities that violate the laws and regulations of the FDA and other similar regulatory bodies, including those laws that require the reporting of true, complete and accurate information to such regulatory bodies; manufacturing and the FDA's GCP, GLP and GMP standards; federal, state and foreign healthcare fraud and abuse laws and data privacy; or laws that require the true, complete and accurate reporting of financial information or data. In particular, sales, marketing and other business arrangements in the healthcare industry are subject to extensive laws intended to prevent fraud, kickbacks, self-dealing, bribery, corruption, antitrust violations and other abusive practices. These laws may restrict or prohibit a wide range of business activities, including research, manufacturing, distribution, pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of clinical trials, creating fraudulent data in our nonclinical studies or clinical trials or illegal misappropriation of drug product, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee or third-party misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations.

Additionally, we are subject to the risk that a person, including any person who may have engaged in any fraud or misconduct, or government agency could allege such fraud or other misconduct, even if none occurred. Furthermore, we rely on our CROs and clinical trial sites to adequately report data from our ongoing clinical trials. Moreover, in some instances, our licensing partners conduct clinical trials with respect to product candidates in different territories and we rely on any such partners to share data from their ongoing clinical trials as required under our agreements with such partners. For example, any failure by such parties to adequately report safety signals to us in a timely manner from any such trials may also affect the approvability of our product candidates or cause delays and disruptions for the approval of our product candidates, if at all. If our or our affiliates' employees, independent contractors, principal investigators, consultants, commercial collaborators, service providers or other vendors are alleged or found to be in violation of any such regulatory standards or requirements, or become subject to a corporate integrity agreement or similar agreement and curtailment of our operations, it could have a significant impact on our business and financial results, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, suspension or delay in our clinical trials, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, FDA debarment, contractual damages, reputational harm, diminished profits and future earnings, and additional reporting requirements and oversight, any of which could harm our ability to operate our business and our results of operations.

Potential product liability lawsuits against us could cause us to incur substantial liabilities and limit commercialization of our products and, if approved, product candidates.

The sale of our products, including VTAMA, which was approved by the FDA in May 2022 for the treatment of plaque psoriasis in adults in the U.S. and the use of our existing product candidates in clinical trials expose us to the risk of product liability claims. Product liability claims might be brought against us by consumers, health care providers, other pharmaceutical companies or others taking or otherwise coming into contact with our products or product candidates. On occasion, large judgments have been awarded in class action lawsuits where drugs have had unanticipated harmful effects. If we cannot successfully defend ourselves against product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- delays in or an inability to commercialize VTAMA, and any future products for which we obtain marketing approval;
- impairment of our business reputation and significant negative media attention;
- delay or termination of clinical trials, or withdrawal of participants from our clinical trials;
- significant costs to defend the related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- product recalls, withdrawals or labelling, marketing or promotional restrictions;
- decreased demand for our VTAMA, and current or future product candidates, if approved; and
- loss of revenue.

The product liability insurance we currently carry, and any additional product liability insurance coverage we acquire in the future, may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. We have acquired insurance coverage which extends to liabilities arising from the sale of our products; however, there is no assurance that we will be able to maintain this insurance coverage on commercially reasonable terms or in adequate amounts or that this coverage will be sufficient to cover any losses arising from any claims related to our products or, if approved, product candidates. A successful product liability claim or series of claims brought against us could adversely affect our results of operations and business, including preventing or limiting the commercialization of our products and, if approved, product candidates.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Certain of our operations may involve the use of hazardous and flammable materials, including chemicals and biological materials, and may also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

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

Earthquakes or other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our offices, that damaged critical infrastructure, such as the manufacturing facilities of our third-party CMOs, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our limited earthquake and flood insurance coverage, could have a material adverse effect on our business.

The increasing use of social media platforms presents new risks and challenges.

Social media is increasingly being used to communicate about our research, products, product candidates, investigational medicines and the diseases our products, product candidates and investigational medicines are being developed to treat. Social media practices in the biopharmaceutical industry continue to evolve and regulations relating to such use are not always clear. This evolution creates uncertainty and risk of noncompliance with regulations applicable to our business, resulting in potential regulatory actions against us. For example, patients may use social media channels to comment on their experience in an ongoing blinded clinical study or to report an alleged adverse event. When such disclosures occur, there is a risk that we fail to monitor and comply with applicable adverse event reporting obligations or we may not be able to defend our business or the public's legitimate interests in the face of the political and market pressures generated by social media due to restrictions on what we may say about our development candidates and investigational medicines. There is also a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on any social networking website. Furthermore, our employees, affiliates and/or business partners may use social media for their personal use, and their activities on social media or in other forums could result in adverse publicity for us. Any negative publicity as a result of social media posts, whether or not such claims are accurate, could adversely impact us. If any of these events were to occur or we otherwise fail to comply with applicable regulations, we could incur liability, face regulatory actions, or incur other harm to our business. The use of social media also creates additional risks in the EEA and the UK where promotion of prescription-only medicines to patients and the general public is strictly prohibited. Social media content that is generated, shared or liked by our company or our directors, employees, staff or other representatives may potentially be perceived or construed as constituting prohibited promotion of prescription-only medicinal products and trigger enforcement and penalties. This is an area of increased scrutiny in both the EEA and the UK.

The United Kingdom's withdrawal from the European Union may adversely impact our ability to obtain regulatory approvals of our products and product candidates in the European Union and may require us to incur additional expenses in order to develop, manufacture and commercialize our products and product candidates in the European Union.

We are centrally managed and controlled in the United Kingdom. The United Kingdom formally exited the EU, commonly referred to as Brexit, on January 31, 2020. Under the terms of its departure, the United Kingdom entered a transition period (the "Transition Period"), during which it continued to follow all EU rules. The Transition Period ended on December 31, 2020. A trade and cooperation agreement which outlines the trading relationship between the U.K. and E.U. now that the transition period has concluded, applied provisionally from January 1, 2021 and formally entered into force on May 1, 2021. Further, in February 2023, an agreement in principle was reached by the UK and EU, known as the Windsor Agreement, relating to post-Brexit trade issues in Northern Ireland, which if implemented into the respective legislation, seeks to simplify the supply of medicines between Great Britain and Northern Ireland and will mean the EU legislation may not apply in all cases in Northern Ireland.

There continues to be considerable uncertainty resulting from a lack of precedent and the complexity of the United Kingdom and the EU's intertwined legal regimes as to how Brexit (following the Transition Period) will impact the life sciences industry in the UK and Europe, including our company, including with respect to ongoing or future clinical trials. The impact will largely depend on the model and means by which the United Kingdom's relationship with the EU is governed post-Brexit and the extent to which the United Kingdom chooses to further diverge from the EU regulatory framework. For example, following the Transition Period, Great Britain is no longer covered by the centralized procedures for obtaining EU-wide marketing authorizations and our products will therefore require a separate marketing authorization to allow us to market such products in Great Britain. The EU Clinical Trials Regulations which govern the conduct of clinical trials in the E.U. entered into application in January 2022 and consequently do not apply in the U.K. It is unclear as to whether the relevant authorities in the EU and the United Kingdom are adequately prepared for the additional administrative burden caused by Brexit. Any delay in obtaining, or an inability to obtain, any marketing approvals or necessary modifications to such approvals, as a result of Brexit or otherwise, would prevent us from or delay us commercializing our products and, if approved, product candidates in the United Kingdom and/or the EEA and restrict our ability to generate revenue and achieve and sustain profitability. In the short term, following the expiry of the Transition Period there have been disrupted import and export processes due to a lack of administrative processing capacity by the respective United Kingdom and EU customs agencies that, if continued, may delay time-sensitive shipments and may negatively impact our product supply chain. There are also differences between the regulatory regimes. For example, orphan designation in the United Kingdom (or Great Britain, depending on whether there is a prior centralized marketing authorization in the EEA) following Brexit is based on the prevalence of the condition in Great Britain as opposed to the current position where prevalence in the EU is the determinant. It is therefore possible that conditions that are currently designated as orphan conditions in the United Kingdom will no longer be and that conditions are not currently designated as orphan conditions in the European Union will be designated as such in the United Kingdom. Further, there is no designation step required in the UK, and the criteria for orphan designation will be determined at the time of authorization.

Given these uncertainties, we may be forced to restrict or delay efforts to seek regulatory approval in the United Kingdom or EEA for our products and product candidates, which could significantly and materially harm our business. There is a degree of uncertainty regarding the overall impact that Brexit will have on (i) the marketing of pharmaceutical products, (ii) the process to obtain regulatory approval in the United Kingdom or Great Britain for product candidates or (iii) the award of exclusivities that are normally part of the EU legal framework (for instance Supplementary Protection Certificates, Pediatric Extensions or Orphan exclusivity).

Brexit may also result in a reduction of funding to the EMA once the United Kingdom no longer makes financial contributions to European institutions, such as the EMA. If funding to the EMA is so reduced, it could create delays in the EMA issuing regulatory approvals for our products and product candidates and, accordingly, have a material adverse effect on our business, financial condition, results of operations or prospects.

In addition, we may be required to pay taxes or duties or be subjected to other hurdles in connection with the importation of our products or product candidates into the EU, or we may incur expenses in establishing a manufacturing facility in the EU in order to circumvent such hurdles. If any of these outcomes occur, we may be forced to restrict or delay efforts to seek regulatory approval in the United Kingdom or the EU for our products and product candidates, or incur significant additional expenses to operate our business, which could significantly and materially harm or delay our ability to generate revenues or achieve profitability of our business.

As a result of Brexit, other EU Member States may seek to conduct referenda with respect to their continuing membership with the EU. Given these possibilities and others we may not anticipate, as well as the absence of comparable precedent, it is unclear what financial, regulatory and legal implications the withdrawal of the United Kingdom from the EU will have and how such withdrawal will affect us, and the full extent to which our business could be adversely affected.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain patent and other intellectual property protection for our technology, products and product candidates, or if the scope of the intellectual property protection obtained is not sufficiently broad, we may not be able to compete effectively in our markets.

We rely, and will continue to rely, upon a combination of patents, trademarks, trade secret protection and confidentiality agreements with employees, consultants, collaborators, advisors and other third parties to protect the intellectual property related to our brand, current and future drug development programs, products and product candidates. Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our current and future products and product candidates. We seek to protect our proprietary position by in-licensing or acquiring intellectual property and filing patent applications in the United States and abroad related to our current and future development programs, products and product candidates, defending our intellectual property rights against third-party challenges and enforcing our intellectual property rights to prevent third-party infringement. The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Furthermore, there is always a risk that our licensed or owned issued patents and any pending and future patent applications may not protect our products or product candidates, in whole or in part, and may not effectively prevent others from commercializing competitive products or product candidates, or that an alteration to our products or product candidates or processes may provide sufficient basis for a competitor to avoid infringing our patent claims. The risks associated with patent rights generally apply to patent rights that we in-license now or in the future, as well as patent rights that we may own now or in the future.

It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of their research and development output, such as employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, while we have pre-publication review procedures in effect, premature or inadvertent publication of potentially patentable subject matter could preclude our ability to obtain patent protection. We may choose not to seek patent protection for certain innovations, products or product candidates and may choose not to pursue patent protection in certain jurisdictions, and under the laws of certain jurisdictions, patents or other intellectual property rights may be unavailable or limited in scope and, in any event, any patent protection we obtain may be limited. As a result, our products and, if approved, product candidates may not be protected by patents in all jurisdictions. We generally apply for patents in those countries where we intend to make, have made, use, offer for sale, or sell products and product candidates and where we assess the risk of infringement to justify the cost of seeking patent protection. However, we do not seek protection in all countries where we intend to sell products and, if approved, product candidates and we may not accurately predict all the countries where patent protection would ultimately be desirable. If we fail to timely file a patent application in any such country or major market, we may be precluded from doing so at a later date. The patent applications that we own or in-license may fail to result in issued patents with claims that cover products or product candidates in the United States or in other countries. We may also inadvertently make statements to regulatory agencies during the regulatory approval process that may be inconsistent with positions that have been taken during prosecution of our patents, which may result in such patents being narrowed, invalidated or held unenforceable in enforcement and other adversarial proceedings.

The patent applications that we own or in-license may fail to result in issued patents with claims that cover our current and future products or product candidates in the United States or in other countries. Our pending patent applications at the Patent Cooperation Treaty (the "PCT") are not eligible to become issued patents until, among other things, we file a national stage patent application within 30 months in the countries in which we seek patent protection. If we do not timely file any national stage patent applications, we may lose our priority date with respect to our PCT patent applications and any patent protection on the inventions disclosed in such PCT patent applications. We cannot guarantee any current or future patents will provide us with any meaningful protection or competitive advantage. For example, any issued patents might not cover the pharmaceutical composition of the product or product candidate that is ultimately commercialized. There is no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found, which can prevent a patent from issuing from a pending patent application or be used to invalidate an issued patent. The examination process may require us to narrow our claims, which may limit the scope of patent protection that we may ultimately obtain. Even if patents do successfully issue and even if such patents cover our current and future products and product candidates, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowly construed, invalidated, or held unenforceable, any of which could limit our ability to prevent competitors and other third parties from developing and marketing similar products or product candidates or limit the length of terms of patent protection we may have for our products, product candidates and technologies. Other companies may also design around technologies we have patented, licensed or developed. In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing products or product candidates, or practicing our own patented technology, or impose a substantial royalty burden to do so. Any successful opposition to these patents or any other patents owned by or licensed to us could deprive us of rights necessary for the successful commercialization of any products or, if approved, product candidates. Further, if we encounter delays in regulatory approvals, the period of time during which we could market a product or product candidate under patent protection could be reduced. If any of our patents are challenged, invalidated, circumvented by third parties or otherwise limited or expire prior to the commercialization of our products or, if approved, product candidates, and if we do not own or have exclusive rights to other enforceable patents protecting our products, product candidates or other technologies, competitors and other third parties could market products or product candidates and use processes that are substantially similar to, or superior to, ours and our business would suffer.

If the patent applications we hold or have in-licensed with respect to our products or product candidates fail to issue, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity for our current and future products or product candidates, it could dissuade companies from collaborating with us to develop product candidates, and threaten our ability to commercialize our products. Any such outcome could have a materially adverse effect on our business. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. The standards that the U.S. Patent and Trademark Office (the “USPTO”) and its counterparts in other countries use to grant patents are not always applied predictably or uniformly. In addition, the laws of countries other than the United States may not protect our rights to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting and defending such rights in such jurisdictions. For example, European patent law restricts the patentability of methods of treatment of the human body more than United States law does.

Other parties have developed technologies that may be related or competitive to our own technologies and such parties may have filed or may file patent applications, or may have received or may receive patents, claiming inventions that may overlap or conflict with those claimed in our own or licensed patent applications or issued patents. Furthermore, publications of discoveries in scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we or our licensors were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology, products or product candidates, in whole or in part, or which effectively prevent others from commercializing competitive technologies, products and product candidates. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

Patent reform legislation in the United States, including the Leahy-Smith America Invents Act (“the Leahy-Smith Act”), could increase those uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy-Smith Act was signed into law on September 16, 2011 and includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to challenge the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review, and derivation proceedings. After March 15, 2013, under the Leahy-Smith Act, the United States transitioned to a first inventor to file system in which, assuming that the other statutory requirements are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third-party was the first to invent the claimed invention. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications, our ability to obtain future patents, and the enforcement or defense of our issued patents, all of which could harm our business, financial condition, results of operations and prospects.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. We are currently and may in the future be subject to third-party pre-issuance submissions of prior art to the USPTO or its equivalents and we or our licensors have in the past, and may in the future, become involved in opposition, derivation, reexamination, *inter partes* review, post-grant review or interference proceedings in the U.S. or in other jurisdictions challenging our patent rights or the patent rights of others. A third-party may also claim that our owned or licensed patent rights are invalid or unenforceable in a litigation. For example, three U.S. patents (U.S. Patent Nos. 8,058,069, 9,364,435 and 9,404,127) relating to lipid nanoparticle molar ratios and the aggregation of lipid nanoparticles that Genevant Sciences GmbH, as assignee of Genevant Sciences Ltd. (“Genevant”), exclusively licensed from Arbutus Biopharma Corp. (“Arbutus”) have been the subject of *inter partes* review proceedings brought by Moderna Therapeutics, Inc. (“Moderna”) before the Patent Trial and Appeal Board of the USPTO (“PTAB”), whose decisions were subsequently reviewed by the United States Court of Appeals for the Federal Circuit (the “Federal Circuit”). The Federal Circuit ultimately (i) affirmed the PTAB’s decision that upheld all claims of U.S. Patent No. 8,058,069; (ii) affirmed the PTAB’s decision invalidating certain claims of U.S. Patent No. 9,364,435 but dismissed Moderna’s appeal with respect to those claims that the PTAB upheld for lack of standing and (iii) affirmed the PTAB’s decision invalidating all claims of U.S. Patent No. 9,404,127. Additionally, one European patent (EU Patent No. EP2279254) relating to lipid nanoparticle molar ratios that Genevant exclusively licensed from Arbutus is the subject of an opposition proceeding brought by Merck Sharp & Dohme Corporation and Moderna at the European Patent Office Opposition Division. Genevant may commence litigation at any time to enforce its patent rights against infringers.

The outcome following legal assertions of invalidity and unenforceability is unpredictable. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology, products or product candidates and compete directly with us, without payment to us, result in our inability to manufacture or commercialize products and, if approved, product candidates without infringing third-party patent rights or result in our breach of agreements pursuant to which we license such rights to our collaborators or licensees. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products or product candidates. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology, products and product candidates, or limit the duration of the patent protection of our technology, products and product candidates. Such challenges also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Even if they are unchallenged, our owned and licensed patents and pending patent applications, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our owned or licensed patents by developing similar or alternative technologies or therapeutics in a non-infringing manner. For example, a third-party may develop a competitive product that provides benefits similar to one or more of our products or product candidates but that falls outside the scope of our patent protection. Moreover, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however the life of a patent, and the protection it affords, are limited. Without patent protection for our current or future products and product candidates, it may be open to competition from generic versions of such products or product candidates. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to our own and, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Patent terms and their scope may be inadequate to protect our competitive position on current and future products and product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. In certain instances, the patent term may be adjusted to add additional days to compensate for delays incurred by the USPTO in issuing the patent. Also, the patent term may be extended for a period of time to compensate for at least a portion of the time a product or product candidate was undergoing FDA regulatory review. However, the life of a patent, and the protection it affords, are limited. Even if patents covering products or product candidates are obtained, once the patent life has expired, we may be open to competition from other products or product candidates, including generics or biosimilars. Given the amount of time required for the development, testing and regulatory review of new products and product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. For example, the patent covering the use of VTAMA as an active ingredient to treat psoriasis and atopic dermatitis, but not limited to any formulation, expired in December 2020. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to our products and product candidates.

We do not currently and may not in the future own or license any issued composition of matter patents covering certain of our products or product candidates, including VTAMA, and we cannot be certain that any of our other issued patents will provide adequate protection for such products or product candidates.

Composition-of-matter patents on the active pharmaceutical ingredient (“API”) in prescription drug products are generally considered to be the strongest form of intellectual property protection for drug products because those types of patents provide protection without regard to any particular method of use or manufacture or formulation of the API used. While we generally seek composition of matter patents for our products and product candidates, such patents may not be available for all of our products and product candidates. For example, we do not own or have a license to any issued composition of matter patents in the United States or any other jurisdiction with respect to VTAMA. Instead, we rely on an issued U.S. patent claiming topical formulations of VTAMA, including the formulation studied in Phase 3 trials and approved by the FDA, and an issued U.S. patent covering methods of using the patented topical formulations to treat inflammatory diseases, including psoriasis and atopic dermatitis. The formulation and method-of-use patents have natural expiration dates in 2036. We additionally rely on a drug substance (“DS”) patent covering the high purity commercial crystal form of the DS, the commercial DS synthesis and several novel intermediates that are formed in the synthesis, which has a natural expiration date in 2038.

Method-of-use patents protect the use of a product for the specified method and formulation patents cover formulations of the API. These types of patents do not prevent a competitor or other third-party from developing or marketing an identical product for an indication that is outside the scope of the patented method or from developing a different formulation that is outside the scope of the patented formulation. Moreover, with respect to method-of-use patents, even if competitors or other third parties do not actively promote their product for our targeted indications or uses for which we may obtain patents, physicians may recommend that patients use these products off-label, or patients may do so themselves. Although off-label use may infringe or contribute to the infringement of method-of-use patents, the practice is common, and this type of infringement is difficult to prevent or prosecute.

Our owned and licensed patents and pending patent applications, if issued, may not adequately protect our intellectual property or prevent competitors or others from designing around our patent claims to circumvent our owned or licensed patents by developing similar or alternative technologies or therapeutics in a non-infringing manner. If the breadth or strength of protection provided by the patents and patent applications we own or license with respect to our products and product candidates is not sufficient to impede such competition or is otherwise threatened, it could dissuade companies from collaborating with us to develop, and threaten our ability to commercialize, our products and, if approved, product candidates. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we do not obtain protection under the Hatch-Waxman Amendments by extending the patent term, our business may be harmed.

Our commercial success will largely depend on our ability to obtain and maintain patent and other intellectual property in the United States and other countries with respect to our proprietary technology, products, product candidates and our target indications. Given the amount of time required for the development, testing and regulatory review of products and product candidates, patents protecting our products and product candidates might expire before or shortly after such candidate begins to be commercialized. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we are prosecuting patents.

Depending upon the timing, duration and specifics of FDA marketing approval of product candidates, one or more of our U.S. patents may be eligible for a limited patent term extension (“PTE”) under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years beyond the normal expiration of the patent as compensation for patent term lost during development and the FDA regulatory review process, which is limited to the approved indication (and potentially additional indications approved during the period of extension) covered by the patent. This extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and is limited to only one patent that covers the approved product, the approved use of the product, or a method of manufacturing the product. However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. We may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time-period or the scope of patent protection afforded could be less than we request. Even if we are able to obtain an extension, the patent term may still expire before or shortly after we receive FDA marketing approval for a given product or product candidate.

If we are unable to extend the expiration date of our existing patents or obtain new patents with longer expiry dates, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data to obtain approval of competing product candidates following our patent expiration and launch their product earlier than might otherwise be the case.

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

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and other patent agencies in other jurisdictions in several stages over the lifetime of the patent. The USPTO and various national or international patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In certain circumstances, we rely on our licensing partners to pay these fees due to U.S. and non-U.S. patent agencies and to take the necessary action to comply with these requirements with respect to our licensed intellectual property. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of patent rights include, but are not limited to, failure to timely file national and regional stage patent applications based on our international patent applications, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we or our licensors fail to maintain the patents and patent applications covering our current and future products and product candidates, our competitors might be able to enter the market earlier than anticipated, which would have an adverse effect on our business.

We rely on certain in-licensed patents and other intellectual property rights in connection with our development of certain products and product candidates and, if we fail to comply with our obligations under our existing and any future intellectual property licenses with third parties, we could lose license rights that are important to our business.

Our ability to commercialize products and develop and eventually, if approved, commercialize product candidates is dependent on licenses to patent rights and other intellectual property granted to it by third parties. Further, development and commercialization of our current and future products and product candidates may require us to enter into additional license or collaboration agreements.

Our current license agreements impose, and future agreements may impose, various development, diligence, commercialization and other obligations on us and require us to meet development timelines, or to exercise commercially reasonable efforts to develop and commercialize licensed products, in order to maintain the licenses. If we fail to comply with our obligations under these licenses, our licensors may have the right to terminate these license agreements, in which event we may not be able to market our products and product candidates. Termination of any of our license agreements or reduction or elimination of our licensed rights may also result in our having to negotiate new or reinstated licenses with less favorable terms. Additionally, certain provisions in our intellectual property agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could affect the scope of our rights to the relevant intellectual property or technology, or affect financial or other obligations under the relevant agreement, either of which could harm our business, financial condition, results of operations and prospects. For example, disputes may arise with respect to our current or future licensing agreement include disputes relating to:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- our financial or other obligations under the license agreement;
- the extent to which our technology, products or product candidates infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights;
- our diligence obligations under the license agreements and what activities satisfy those diligence obligations;
- the inventorship or ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize our products and product candidates. If our licenses are terminated, we may lose our rights to develop and market our technology, products and product candidates, lose patent protection for our products, product candidates and technology, experience significant delays in the development and commercialization of our products and product candidates, or incur liability for damages. In addition, we may need to obtain additional licenses from our licensors and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties, including our competitors, to receive licenses to a portion of the intellectual property that is subject to our existing licenses and to compete with our products and product candidates.

Furthermore, if our licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products identical or competitive to ours and we may be required to cease our development and commercialization of certain of our products and product candidates. Moreover, if disputes over intellectual property that we license prevent or impair our ability to maintain other licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected products or product candidates. In addition, certain of these license agreements, may not be assignable by us without the consent of the respective licensor, which may have an adverse effect on our ability to engage in certain transactions. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain or enforce the patents, covering technology that it licenses from third parties. Therefore, we cannot be certain that these or other patents will be prosecuted, maintained and enforced in a manner consistent with the best interests of our business. Additionally, we may not have sufficient ability to provide input into the patent prosecution, maintenance and defense process with respect to such patents, and our licensors may fail to take the steps that we believe are necessary or desirable in order to obtain, maintain, defend and enforce the licensed patents. If our current or future licensors or collaboration partners fail to obtain, maintain, defend, protect or enforce any patents or patent applications licensed to us, our rights to such patents and patent applications may be reduced or eliminated and our right to develop and commercialize products and product candidates that are the subject of such licensed rights could be adversely affected.

Furthermore, certain of our current and future licenses may not provide us with exclusive rights to use the licensed intellectual property and technology, or may not provide us with rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our technology, products and product candidates in the future. The intellectual property portfolio licensed to us by our licensors at least in some respects, may therefore be used by such licensors or licensed to third parties, and such third parties may have certain enforcement rights with respect to such intellectual property. For example, Immunovant does not have rights to develop, manufacture, use or commercialize batoclimab or file or enforce patents relating to these assets in territories other than the United States, Canada, Mexico, the EU, the U.K., Switzerland, the Middle East, North Africa and Latin America, as such rights in other jurisdictions have been retained by HanAll Biopharma Co., Ltd. (“HanAll”) or licensed by HanAll to third parties. Additionally, Dermavant does not have the right to develop, manufacture, use or commercialize VTAMA in China, including Hong Kong, Macau or Taiwan, as such rights were retained by Welichem Biotech Inc. or licensed to third parties. Patents licensed to us could be put at risk of being invalidated or interpreted narrowly in litigation filed by or against our licensors or another licensee or in administrative proceedings brought by or against our licensors or another licensee in response to such litigation or for other reasons. As a result, we may not be able to prevent competitors or other third parties from developing and commercializing competitive products, including in territories covered by our licenses.

Third-party claims or litigation alleging infringement, misappropriation or other violations of third-party patents or other proprietary rights or seeking to invalidate our patents or other proprietary rights, may delay or prevent the development and commercialization of our current and future products and product candidates.

Our commercial success depends in part on our avoidance of infringement, misappropriation and other violations of the patents and proprietary rights of third parties. However, our research, development and commercialization activities may be subject to claims that we infringe, misappropriate or otherwise violate patents or other intellectual property rights owned or controlled by third parties. Our competitors or other third parties may assert infringement claims against us, alleging that our products or product candidates are covered by their patents. We cannot be certain that we do not infringe existing patents or that we will not infringe patents that may be granted in the future. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, derivation and administrative law proceedings, *inter partes* review, and post-grant review before the USPTO, as well as oppositions and similar processes in other jurisdictions. Numerous U.S. and non-U.S. issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we and our collaborators are developing product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, and as we gain greater visibility, the risk increases that our products, product candidates or other business activities may be subject to claims of infringement of the patent and other proprietary rights of third parties. Third parties may assert that we are infringing their patents or employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our products or product candidates. We could also be required to pay damages, which could be significant, including treble damages and attorneys’ fees if we are found to have willfully infringed such patents.

Additionally, because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our products or product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. If any third-party patents were held by a court of competent jurisdiction to cover any of our products or product candidates, the holders of any such patents may be able to block our ability to commercialize such products or, if approved, product candidates, unless we obtained a license under the applicable patents, or until such patents expire. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy, the holders of any such patent may be able to block our ability to develop and commercialize the applicable product or, if approved, product candidate, unless we obtained a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. In addition, we may be subject to claims that we are infringing other intellectual property rights, such as trademarks or copyrights, or misappropriating the trade secrets of others, and to the extent that our employees, consultants or contractors use intellectual property or proprietary information owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions, which could be time-consuming and divert the attention of senior management.

Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our products or, if approved, product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful infringement or other intellectual property claim against it, we may have to pay substantial damages, including treble damages and attorneys’ fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our affected products or product candidates, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need to obtain licenses from third parties to advance our research or allow commercialization of our products or, if approved, product candidates, and we have done so from time to time. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize one or more of our products or, if approved, product candidates, which could harm our business significantly. We cannot provide any assurances that third-party patents do not exist which might be enforced against our products or product candidates, resulting in either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties.

Some of our competitors may be able to sustain the costs of complex intellectual property litigation more effectively than we can because the competitors have substantially greater financial and other resources. In addition, intellectual property litigation, regardless of its outcome, may cause negative publicity, adversely impact prospective customers, cause product shipment delays or prohibit us from manufacturing, marketing or otherwise commercializing our products or, if approved, product candidates. Any uncertainties resulting from the initiation and continuation of any litigation could adversely impact our ability to raise additional funds or otherwise harm our business, results of operation, financial condition or cash flows.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments, which could adversely impact the price of our Common Shares.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might harm our ability to develop and market our products and product candidates.

We cannot guarantee that any of our or our licensors' patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is or may be relevant to or necessary for the commercialization of products or product candidates in any jurisdiction. Patent applications in the United States and elsewhere are not published until approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. In addition, U.S. patent applications filed before November 29, 2000 and certain U.S. patent applications filed after that date that will not be filed outside the United States remain confidential until patents issue. Therefore, patent applications covering our products and product candidates could have been filed by others without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our current and future products and product candidates, or the use thereof, provided such pending patent applications result in issued patents. Our ability to develop and market our current and future products and product candidate can be adversely affected in jurisdictions where such patents are issued.

The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products or, if approved, product candidates. We may incorrectly determine that our products or product candidates are not covered by a third-party patent or may incorrectly predict whether a third-party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect and we may incorrectly conclude that a third-party patent is invalid or unenforceable. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our current and future products and, if approved, product candidates.

If we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our products or, if approved, product candidates, that are held to be infringing. We might, if possible, also be forced to redesign products or product candidates so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

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

Competitors may infringe, misappropriate or otherwise violate our patents, the patents of our licensors or our other intellectual property rights. To counter infringement or unauthorized use, we may be required to file and prosecute legal claims against one or more third parties, which can be expensive and time-consuming, even if ultimately successful. For example, in February 2022, Roivant's subsidiary, Genevant Sciences GmbH ("Genevant GmbH"), and Arbutus filed a lawsuit in the U.S. District Court for the District of Delaware against Moderna and an affiliate seeking damages for infringement of U.S. Patent Nos. 8,058,069, 8,492,359, 8,822,668, 9,364,435, 9,504,651, and 11,141,378 in the manufacture and sale of MRNA-1273, Moderna's vaccine for COVID-19 (the "Moderna Action"). In November 2022, the District Court denied Moderna's partial motion to dismiss pursuant to 28 U.S.C. § 1498(a) ("§ 1498"). In March 2023, following the submission of a Statement of Interest in the case by the United States Government, the court reaffirmed its prior decision and again ruled that the complaint should not be partially dismissed on the basis of § 1498. In March 2022, Acuitas Therapeutics Inc. filed a lawsuit in the United States District Court for the Southern District of New York against Genevant GmbH and Arbutus seeking a declaratory judgment that U.S. Patent Nos. 8,058,069, 8,492,359, 8,822,668, 9,006,417, 9,364,435, 9,404,127, 9,504,651, 9,518,272, and 11,141,378 are not infringed by the manufacture, use, offer for sale, sale or importation into the United States of COMIRNATY, Pfizer's and BioNTech's vaccine for COVID-19 and are otherwise invalid (the "Acuitas Action"). Genevant GmbH and Arbutus have moved to dismiss the Acuitas Action and that motion is pending before the District Court. On April 4, 2023, Genevant GmbH and Arbutus filed a lawsuit in the U.S. District Court for the District of New Jersey against Pfizer and BioNTech seeking damages for infringement of U.S. Patent Nos. 9,504,651, 8,492,359, 11,141,378, 11,298,320 and 11,318,098 in the manufacture and sale of COMIRNATY (the "Pfizer Action"). Genevant GmbH and Arbutus expect a response from Pfizer and BioNTech later this calendar year.

In an infringement proceeding, a court may decide that a patent of ours or our licensors 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 the technology in question. The standards that courts use to interpret patents are not always applied predictably or uniformly and can change, particularly as new technologies develop. As a result, we cannot predict with certainty how much protection, if any, will be given to our patents if we attempt to enforce them and they are challenged in court and if any such suits, including the Moderna Action and the Acuitas Action, will ultimately be resolved successfully. Further, even if we prevail against an infringer in U.S. district court, there is always the risk that the infringer will file an appeal and the district court judgment will be overturned at the appeals court and/or that an adverse decision will be issued by the appeals court relating to the validity or enforceability of our patents. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly in a manner insufficient to achieve our business objectives, or could put our patent applications at risk of not issuing. The initiation of a claim against a third-party may also cause the third-party to bring counter claims against us such as claims asserting that our patents are invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or lack of written description or non-statutory subject matter. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant material information from the USPTO, or made a materially misleading statement, during prosecution. Third parties may also raise similar validity claims before the USPTO in post-grant proceedings such as ex parte reexaminations, *inter partes* review, or post-grant review, or oppositions or similar proceedings outside the United States, in parallel with litigation or even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. We cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. For the patents and patent applications that we have licensed, we may have limited or no right to participate in the defense of any licensed patents against challenge by a third-party. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of any future patent protection on our current or future products or product candidates. Such a loss of patent protection could harm our business. Additionally, any adverse outcome could allow third parties to commercialize our products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights.

Even if we establish infringement, we may not seek, or the court may decide not to grant, an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. We may not be able to detect or prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States. Any litigation or other proceedings to enforce our intellectual property rights may fail, and even if successful, may result in substantial costs and distract our management and other employees.

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

We may not have sufficient financial or other resources to adequately conduct the Moderna Action, the Acuitas Action or any other such litigation or proceedings. Some of our competitors or other third parties may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Because of the expense and uncertainty of litigation, we may conclude that even if a third-party is infringing our issued patent, any patents that may be issued as a result of our pending or future patent applications or other intellectual property rights, the risk-adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our shareholders. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non-litigious action or solution.

Because many of the patents we own or have licensed are owned or licensed by our subsidiaries, and in certain cases by subsidiaries that are not or will not be directly commercializing products, we may not be in a position to obtain a permanent injunction against a third-party that is found to infringe our patents.

Many patents that we own or have licensed are assigned to or licensed by our direct or indirect subsidiaries. For example, any patents that Immunovant has licensed are assigned to its wholly-owned subsidiary Immunovant Sciences GmbH and any patents that Dermavant owns or has licensed are assigned to its wholly-owned subsidiary Dermavant Sciences GmbH. If a third-party is found to be infringing such patents, we and our direct subsidiaries may not be able to permanently enjoin the third-party from making, using, offering for sale or selling the infringing product or activity for the remaining life of such patent in the United States or other jurisdictions when the patent is assigned to a subsidiary, which is not the entity that is or would be commercializing a potentially competitive product or service. In such a circumstance, such third-party may be able to compete with us or our subsidiaries, which could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Changes in U.S. patent law or the patent law of other countries or jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products and product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States or USPTO rules and regulations could increase the uncertainties and costs.

The United States has recently enacted and implemented wide-ranging patent reform legislation. In addition, patent reform legislation may pass in the future that could lead to additional uncertainties and increased costs surrounding the prosecution, enforcement and defense of our patents and pending patent applications. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. For example, the Biden administration has indicated its support for a proposal at the World Trade Organization to waive patent rights with respect to COVID-19 vaccines. Any waiver of our patent or other intellectual property protection by the U.S. and other foreign governments, including with respect to Genevant's licensed lipid nanoparticle ("LNP") delivery technology as used in connection with messenger RNA vaccine delivery, could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Depending on actions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce patents that we have licensed or that we might obtain in the future. Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future. We cannot predict future changes in the interpretation of patent laws or changes to patent laws that might be enacted into law by United States and non-U.S. legislative bodies. Those changes may materially affect our patents or patent applications and our ability to obtain additional patent protection in the future.

In addition, the United States federal government retains certain rights in inventions produced with its financial assistance under the Bayh-Dole Act. The federal government retains a "nonexclusive, nontransferable, irrevocable, paid-up license" for its own benefit. The Bayh-Dole Act also provides federal agencies with "march-in rights." March-in rights allow the government, in specified circumstances, to require the contractor or successors in title to the patent to grant a "nonexclusive, partially exclusive, or exclusive license" to a "responsible applicant or applicants." For example, the research resulting in certain of our acquired or in-licensed patent rights and technology for certain products or product candidates was funded in part by the U.S. federal government. As a result, the federal government may have certain rights to such patent rights and technology, which include march-in rights. If the federal government decides to exercise these rights, it is not required to engage us as its contractor in connection with doing so. The federal government's rights may also permit it to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology. The federal government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, or because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. Further, the recipient of U.S. government funding is required to comply with certain other requirements, including timely disclosing the inventions claimed in such patent rights to the U.S. government and timely electing title to such inventions. The U.S. government has the right to take title to such intellectual property rights if we, or the applicable licensor, fail to disclose the invention to the government and fail to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us or the applicable licensor to expend substantial resources. In addition, our rights in such inventions may be subject to certain requirements to manufacture products or product candidates embodying such inventions in the United States. We cannot be certain that our current or future licensors will comply with the disclosure or reporting requirements of the Bayh-Dole Act at all times or be able to rectify any lapse in compliance with these requirements. Any exercise by the government of any of the foregoing rights or by any third-party of its reserved rights could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

The validity, scope and enforceability of any patents listed in the Orange Book that cover our products or product candidates, or patents that cover our biologic product candidates, can be challenged by third parties.

If a third-party files an application under Section 505(b)(2) or an abbreviated new drug application (“ANDA”) under Section 505(j) with respect to any of our products or, if approved, product candidates, for a generic product containing any of our products or product candidates, including VTAMA (which, following the natural expiration of our method of use patent family, will be protected only by our formulation patent), and relies in whole or in part on studies conducted by or for us, the third-party will be required to certify to the FDA that either: (1) there is no patent information listed in the Orange Book with respect to our NDA for the applicable product or, if approved, product candidate; (2) the patents listed in the Orange Book have expired; (3) the listed patents have not expired, but will expire on a particular date and approval is sought after patent expiration; or (4) the listed patents are invalid or will not be infringed by the manufacture, use or sale of the third-party’s generic product. A certification under 21 CFR § 314.94(a)(12)(i)(A)(4) that the new product will not infringe the Orange Book-listed patents for the applicable product or, if approved, product candidate, or that such patents are invalid, is called a paragraph IV certification. If the third-party submits a paragraph IV certification to the FDA, a notice of the paragraph IV certification must also be sent to us once the third-party’s ANDA is accepted for filing by the FDA. We may then initiate a lawsuit to defend the patents identified in the notice. The filing of a patent infringement lawsuit within 45 days of receipt of the notice automatically prevents the FDA from approving the third-party’s ANDA until the earliest of 30 months or the date on which the patent expires, the lawsuit is settled, or the court reaches a decision in the infringement lawsuit in favor of the third-party. If we do not file a patent infringement lawsuit within the required 45-day period, the third-party’s ANDA will not be subject to the 30-month stay of FDA approval.

Moreover, a third-party may challenge the current patents, or patents that may issue in the future, within our portfolio, which could result in the invalidation of some or all of the patents that might otherwise be eligible for listing in the Orange Book for one of our products. If a third-party successfully challenges all of the patents that might otherwise be eligible for listing in the Orange Book for one of our products before an ANDA or 505(b)(2) NDA is filed we will be unable to obtain a 30-month stay of FDA approval of a 505(b)(2) or ANDA.

For example, our three issued U.S. patents covering VTAMA may not provide adequate protection from competitive products developed by 505(b)(1) NDA, 505(b)(2) NDA or 505(j) ANDA applicants containing paragraph IV certifications if such applicants are able to design around the three patents. One or more competitors may circumvent these patents by filing a marketing application with the FDA under Sections 505(b)(2) or 505(j) of the Federal Food, Drug and Cosmetic Act containing a paragraph IV certification for a competitive product containing the active moiety in VTAMA and successfully challenging the validity of the three patents or successfully designing around the three patents. Any successful challenge against the three patents and/or designing around one or more of the patents could result in a generic version of VTAMA being commercialized before the expiration of the three patents. If the three patents are successfully challenged or designed around, our business, results of operations, financial condition and prospects would be harmed.

For biologics, the BPCIA provides a mechanism for one or more third parties to seek FDA approval to manufacture or sell a biosimilar or interchangeable versions of brand name biological product candidates. Due to the large size and complexity of biological product candidates, as compared to small molecules, a biosimilar must be “highly similar” to the reference product with “no clinically meaningful differences between the two.” The BPCIA does not require reference product sponsors to list patents in the FDA’s Orange Book and does not include an automatic 30-month stay of FDA approval upon the timely filing of a lawsuit. The BPCIA, however, does require a formal pre-litigation process which includes the exchange of information between a biosimilar applicant and a reference biologic sponsor that includes the identification of relevant patents and each parties’ basis for infringement and invalidity. After the exchange of this information, we may then initiate a lawsuit within 30 days to defend the patents identified in the exchange. If the biosimilar applicant successfully challenges the asserted patent claims, it could result in the invalidation of, or render unenforceable, some or all of the relevant patent claims or result in a finding of non-infringement.

If we are unsuccessful in enforcing our patents against generics or biosimilars, our products could face competition prior to the expiration of the patents which cover such products, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, any such litigation or other proceedings to enforce or defend intellectual property rights are often very complex in nature, may be very expensive and time-consuming, may divert management’s attention from our core business, and may result in unfavorable results that could limit our ability to prevent third parties from competing with our products and product candidates.

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

Filing, prosecuting and defending patents on products and product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. The requirements for patentability may differ in certain countries, particularly developing countries, and the breadth of patent claims allowed can be inconsistent. In addition, the laws of some countries do not protect intellectual property rights to the same extent as laws of the United States.

Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing product candidates made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and product candidates and may also export infringing products and product candidates to territories where we have patent protection, but enforcement is not as strong as that in the United States. These product candidates may compete with our products or product candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

We do not have patent rights in all countries in which a market may exist. Moreover, in jurisdictions where we do have patent rights, proceedings to enforce such rights could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, and our patent applications at risk of not issuing. Additionally, such proceedings could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Thus, we may not be able to stop a competitor from marketing and selling in other countries products and product candidates and services that are the same as or similar to our products and product candidates, and our competitive position would be harmed.

Many companies have encountered significant problems in protecting and defending intellectual property rights in other jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, particularly those relating to biotechnology products and product candidates, which could make it difficult for us to stop the infringement of our patents or marketing of competing products or product candidates in violation of our proprietary rights generally. Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Many countries, including European Union countries, India, Japan and China, have compulsory licensing laws under which a patent owner may be compelled under specified circumstances to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In those countries, we may have limited remedies, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

If we are unable to protect the confidentiality of any trade secrets, our business and competitive position would be harmed.

In addition to seeking patents for our products and product candidates, we may rely on trade secrets, including unpatented software, know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect this software and information, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants.

Because we rely and expect to continue to rely on third parties to manufacture our current and future products and product candidates, and we collaborate and expect to continue to collaborate with third parties on the development of current and future products and product candidates, we must, at times, share trade secrets with them. We also conduct joint research and development programs that may require us to share trade secrets under the terms of our research and development partnerships or similar agreements. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, consulting agreements or other similar agreements with our advisors, employees, third-party contractors and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, including our trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Any disclosure, either intentional or unintentional, by our employees, the employees of third parties with whom we share facilities or third-party consultants and vendors that we engage to perform research, clinical trials or manufacturing activities, or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in the market. Further, adequate remedies may not exist in the event of unauthorized use or disclosure. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have an adverse effect on our business and results of operations.

In addition, these agreements typically restrict the ability of our advisors, employees, third-party contractors and consultants to publish data potentially relating to our trade secrets, although our agreements may contain certain limited publication rights. Policing unauthorized use of our or our licensors' intellectual property is difficult, expensive and time-consuming, and we may be unable to determine the extent of any unauthorized use. Moreover, enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Despite our efforts to protect our trade secrets, our competitors and other third parties may discover our trade secrets, including our proprietary software, either through breach of our agreements with third parties, independent development or publication of information by any of our third-party collaborators. A competitor's or other third-party's discovery of our trade secrets, including our proprietary software, would impair our competitive position and have an adverse impact on our business.

We cannot guarantee that we have entered into non-disclosure, confidentiality agreements, material transfer agreements or consulting agreements with each party that may have or have had access to our trade secrets or proprietary software, technology and processes. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets and proprietary software, and we may not be able to obtain adequate remedies for such breaches. Monitoring unauthorized uses and disclosures of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be effective. In addition, we may not be able to obtain adequate remedies for any such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets, including our proprietary software, were to be lawfully obtained or independently developed by a competitor or other third-party, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets, including our proprietary software, were to be disclosed to or independently developed by a competitor or other third-party, our competitive position would be harmed.

Certain software utilized in our computational drug discovery efforts may include third-party open source software. Any failure to comply with the terms of one or more open source software licenses could adversely affect our business, subject us to litigation, or create potential liability.

Certain software utilized in our computational drug discovery efforts may include third-party open source software and we expect to continue to incorporate open source software in the future. The use of open source software involves a number of risks, many of which cannot be eliminated and could negatively affect our business. For example, we cannot ensure that we have effectively monitored our use of open source software or that we are in compliance with the terms of the applicable open source licenses or our current policies and procedures. There have been claims against companies that use open source software asserting that the use of such open source software infringes the claimants' intellectual property rights. As a result, we could be subject to suits by third parties claiming infringement on such third parties' intellectual property rights. Litigation could be costly for us to defend, have a negative effect on our business, financial condition and results of operations, or require us to devote additional research and development resources to modify our computational drug discovery platform.

Use of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin of the software or other contractual protections regarding infringement claims or the quality of the code, including with respect to security vulnerabilities. In addition, certain open source licenses require that source code for software programs that interact with such open source software be made available to the public at no cost and that any modifications or derivative works to such open source software continue to be licensed under the same terms as the open source software license. The terms of various open source licenses have not been interpreted by courts in the relevant jurisdictions, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our solutions. By the terms of certain open source licenses, if portions of our proprietary software are determined to be subject to an open source license or if we combine our proprietary software with open source software in a certain manner, we could be required to release the source code of our proprietary software and to make our proprietary software available under open source licenses, each of which could reduce or eliminate the effectiveness of our computational discovery efforts. We may also face claims alleging noncompliance with open source license terms or misappropriation or other violation of open source technology. Any of these events could create liability for us and damage our reputation, which could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

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

We employ individuals who were previously employed at universities or other software, biotechnology or pharmaceutical companies, including our licensors, competitors or potential competitors. Although we seek to protect our ownership of intellectual property rights by ensuring that our agreements with our employees, collaborators and other third parties with whom we do business include provisions requiring such parties to not use the confidential information of their former employer, we may be subject to claims that we or our employees, consultants, independent contractors or other third parties have inadvertently or otherwise used or disclosed confidential information of our employees' former employers or other third parties. We may also be subject to claims that former employers or other third parties have an ownership interest in our owned or licensed patents or patent applications. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and if we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property, which could limit our ability to stop others from using or commercializing similar technology and therapeutics, without payment to us, could limit the duration of the patent protection covering our technology, products and product candidates and could result in our inability to develop, manufacture or commercialize our products and product candidates without infringing third-party patent rights. Such intellectual property rights could be awarded to a third-party, and we could be required to obtain a license from such third-party to commercialize our current or future products and product candidates. Such a license may not be available on commercially reasonable terms or at all. Even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees. Moreover, any such litigation or the threat thereof may harm our reputation, our ability to form strategic alliances or sublicense our rights to collaborators, engage with scientific advisors or hire employees or consultants, each of which would harm our business, results of operations and financial condition.

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

We rely on a combination of internally developed and in-licensed intellectual property rights and we or our licensors may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed patents, trade secrets, or other intellectual property as an inventor or co-inventor. For example, we or our licensors may have inventorship disputes arise from conflicting obligations of employees, consultants or other third parties who are involved in developing our products and product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship or our or our licensors' ownership of our owned or in-licensed patents, trade secrets or other intellectual property. If we or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our products or product candidates. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could harm our business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees, contractors and other third parties who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our invention assignment agreements may not be self-executing or may be breached, and we may not have adequate remedies for any such breach. Additionally, we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements with us may have preexisting or competing obligations to a third-party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities, and have a harmful effect on the success of our business.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims, including the Moderna Action, the Pfizer Action and the Acuitas Action, may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could adversely impact the price of our Common Shares. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources.

Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to pursue our commercialization efforts, continue our clinical trials and internal research programs or in-license needed technology or other future product candidates. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to pursue our commercialization efforts, continue our clinical trials, continue our research programs, license necessary technology from third parties, or enter into development collaborations that would help us commercialize our products or, if approved, product candidates. Any of the foregoing could harm our business, financial condition, results of operations and prospects.

We may not be successful in obtaining necessary intellectual property rights to future product candidates through acquisitions and in-licenses.

A third-party may hold intellectual property, including patent rights, that are important or necessary to the development of our product candidates. Accordingly, we may seek to acquire or in-license patented or proprietary technologies to develop such product candidates or to grow our product offerings and technology portfolio. However, we may be unable to acquire or in-license intellectual property rights relating to, or necessary for, any such product candidate or technology from third parties on commercially reasonable terms or at all. Even if we are able to in-license any such necessary intellectual property, it could be on non-exclusive terms, thereby giving our competitors and other third parties access to the same intellectual property licensed to us, and it could require us to make substantial licensing and royalty payments. In that event, we may be unable to develop or commercialize such product candidates or technology. We may also be unable to identify product candidates or technology that we believe are an appropriate strategic fit for our company and protect intellectual property relating to, or necessary for, such product candidate and technology.

The in-licensing and acquisition of third-party intellectual property rights for any future product candidate is a competitive area, and a number of more established companies are also pursuing strategies to in-license or acquire third-party intellectual property rights for product candidates that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. Furthermore, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. If we are unable to successfully obtain rights to additional technologies or product candidates, our business, financial condition, results of operations and prospects for growth could suffer.

In addition, we expect that competition for the in-licensing or acquisition of third-party intellectual property rights for any future product candidate and technologies that are attractive to us may increase in the future, which may mean fewer suitable opportunities for us as well as higher acquisition or licensing costs. We may be unable to in-license or acquire the third-party intellectual property rights for product candidates or technology on terms that would allow us to make an appropriate return on our investment.

Any trademarks we have obtained or may obtain may be infringed or successfully challenged, resulting in harm to our business.

We rely on trademarks as one means to distinguish our products from the products and product candidates of our competitors. Our current and future trademark applications in the United States and in other jurisdictions may not be allowed or may subsequently be opposed, challenged, infringed, circumvented, declared generic or determined to be infringing other marks. Additionally, once we select new trademarks and apply to register them, our trademark applications may not be approved. Third parties have in the past opposed, are currently opposing and may in the future oppose or attempt to cancel our trademark applications or trademarks, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand products or product candidates, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. Our competitors may infringe our trademarks and we may not have adequate resources to enforce our trademarks. If we attempt to enforce our trademarks and assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats to our competitive advantage.

Once granted, patents may remain open to invalidity challenges including opposition, interference, re-examination, post-grant review, *inter partes* review, nullification or derivation action in court or before patent offices or similar proceedings for a given period after allowance or grant, during which time third parties can raise objections against such grant. In the course of such proceedings, which may continue for a protracted period of time, the patent owner may be compelled to limit the scope of the allowed or granted claims thus attacked, or may lose the allowed or granted claims altogether.

In addition, the degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, provide a barrier to entry against our competitors or potential competitors, or permit us to maintain our competitive advantage.

Moreover, if a third-party has intellectual property rights that cover the practice of our technology, we may not be able to fully exercise or extract value from our intellectual property rights. The following examples are illustrative:

- others may be able to make formulations or compositions that are the same as or similar to our products or product candidates, but that are not covered by the claims of the patents that we own;
- others may be able to make product candidates that are similar to our products or product candidates that we intend to commercialize that are not covered by the patents that we exclusively licensed and have the right to enforce;
- we, our licensor or any collaborators might not have been the first to make or reduce to practice the inventions covered by the issued patents or pending patent applications that we own or have exclusively licensed;
- we or our licensor or any collaborators might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantages, or may be held invalid or unenforceable as a result of legal challenges;
- our competitors might conduct research and development activities in the United States and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights, and then use the information learned from such activities to develop competitive product candidates for sale in our major commercial markets; and we may not develop additional proprietary technologies that are patentable;
- third parties performing manufacturing or testing for us using our products, product candidates or technologies could use the intellectual property of others without obtaining a proper license;
- parties may assert an ownership interest in our intellectual property and, if successful, such disputes may preclude us from exercising exclusive rights over that intellectual property;
- we may not develop or in-license additional proprietary technologies that are patentable;
- we may not be able to obtain and maintain necessary licenses on commercially reasonable terms, or at all;
- the patents of others may harm our business; and
- we may choose not to file a patent application in order to maintain certain trade secrets or know-how, and a third-party may subsequently file a patent application covering such intellectual property.

Should any of these events occur, they could significantly harm our business and results of operations.

Risks Related to Our Securities, Our Jurisdiction of Incorporation and Certain Tax Matters

If our performance does not meet market expectations, the price of our securities may decline.

If our performance does not meet market expectations, the price of our Common Shares may decline. In addition, the trading price of our Common Shares could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on the price of our Common Shares.

Factors affecting the trading price of our Common Shares may include:

- actual or anticipated fluctuations in our quarterly and annual financial results or the quarterly and annual financial results of companies perceived to be similar to it;
- changes in the market's expectations about operating results;
- our operating results failing to meet market expectations in a particular period;
- a Vant's operating results failing to meet market expectations in a particular period, which could impact the market prices of shares of a public Vant or the valuation of a private Vant, and in turn adversely impact the trading price of our Common Shares;

- receipt of marketing approval for a product or product candidate in one or more jurisdictions, or the failure to receive such marketing approval;
- the results of clinical trials or preclinical studies conducted by us and the Vants;
- changes in financial estimates and recommendations by securities analysts concerning us, the Vants or the biopharmaceutical industry and market in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- changes in laws and regulations affecting our and the Vants' businesses;
- the outcome of litigation or other claims or proceedings, including governmental and regulatory proceedings, against us or the Vants;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- the volume of our Common Shares available for public sale and the relatively limited free float of our Common Shares;
- any significant change in our board of directors or management;
- sales of substantial amounts of our Common Shares by directors, executive officers or significant shareholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may depress the market price of our Common Shares irrespective of our or the Vants' operating performance. The stock market in general has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for companies engaging in digital payments or the stocks of other companies which investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our Common Shares also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Our warrant agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of our Warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with our company.

Our warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

Notwithstanding the foregoing, these provisions of the warrant agreement do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any of our Warrants shall be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. If any action, the subject matter of which is within the scope the forum provisions of the warrant agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York (a "foreign action") in the name of any holder of our Warrants, such holder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action") and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder's counsel in the foreign action as agent for such warrant holder.

This choice-of-forum provision may limit a warrant holder's ability to bring a claim in a judicial forum that it finds favorable for disputes with our company, which may discourage such lawsuits. Warrant holders who do bring a claim in a court of the State of New York or the United States District Court for the Southern District of New York could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the State of New York. Alternatively, if a court were to find this provision of our warrant agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.

We may amend the terms of the Warrants in a manner that may be adverse to holders of Public Warrants with the approval by the holders of at least 50% of the then outstanding Public Warrants. As a result, the exercise price of Warrants could be increased, the exercise period could be shortened and the number of shares purchasable upon exercise of a warrant could be decreased, all without the holder's approval.

Our Warrants were initially issued by Montes Archimedes Acquisition Corp. ("MAAC") in registered form under a warrant agreement between Continental Stock Transfer & Trust Company ("CST"), as warrant agent. In connection with the consummation of the Business Combination, American Stock Transfer & Trust Company assumed CST's responsibilities as warrant agent under the warrant agreement.

The warrant agreement provides that the terms of the Warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake or defective provision (ii) amending the provisions relating to cash dividends on common stock as contemplated by and in accordance with the warrant agreement or (iii) adding or changing any provisions with respect to matters or questions arising under the warrant agreement as the parties to the warrant agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the Warrants, provided that the approval by the holders of at least 50% of the then-outstanding Public Warrants is required to make any change that adversely affects the interests of the registered holders of Public Warrants. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 50% of the then outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 50% of the then outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, convert the Warrants into cash, shorten the exercise period or decrease the number of our Common Shares purchasable upon exercise of a warrant.

We have incurred and will continue to incur increased costs as a result of operating as a public company and our management has devoted and will continue to devote a substantial amount of time to new compliance initiatives.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company, and these expenses may increase even more after we are no longer an emerging growth company, as defined in Section 2(a) of the Securities Act. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the Dodd-Frank Act, as well as rules adopted, and to be adopted, by the SEC and the Nasdaq. Our management and other personnel have devoted and will continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have substantially increased our legal and financial compliance costs and made some activities more time-consuming and costly. For example, these rules and regulations have made it more difficult and more expensive for us to obtain blended director and officer liability insurance and forced us to forego securities and corporate protection coverage. We cannot predict or estimate the amount or timing of additional costs we have incurred and will continue to incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

Our failure to timely and effectively implement controls and procedures required by Section 404(a) of the Sarbanes-Oxley Act could have a material adverse effect on our business.

As a public company, we are required to provide management's attestation on internal controls as required under Section 404(a) of the Sarbanes-Oxley Act. The standards required for a public company under Section 404(a) of the Sarbanes-Oxley Act are significantly more stringent than those required of us as a privately-held company. If we are not successful in implementing the additional requirements of Section 404(a) in a timely manner or with adequate compliance, we may not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our securities.

Failure to properly implement internal controls on a timely basis may lead to the identification of one or more material weaknesses or control deficiencies in the future, which may prevent us from being able to report our financial results accurately on a timely basis or help prevent fraud, and could cause our reported financial results to be materially misstated and result in the loss of investor confidence or delisting and cause the market price of our Common Shares to decline. If we have material weaknesses in the future, it could affect the financial results that we report or create a perception that those financial results do not fairly state our financial position or results of operations. Either of those events could have an adverse effect on the value of our Common Shares.

Further, even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations.

We may redeem unexpired Warrants prior to their exercise at a time that is disadvantageous to holders, thereby making the Warrants worthless.

We have the ability to redeem outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per warrant, provided that the last reported sales price of our Common Shares is equal to or exceeds \$18.00 per share (as adjusted for share sub divisions, share capitalizations, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the Warrants become redeemable by us, we may not exercise our redemption right if the issuance of shares upon exercise of the Warrants is not exempt from registration or qualification under applicable state blue sky laws or if we are unable to effect such registration or qualification. We will use our best efforts to register or qualify such shares under the blue sky laws of the state of residence in those states in which the Warrants were offered by us. Redemption of the outstanding Warrants could force an investor to (i) to exercise their Warrants and pay the exercise price therefor at a time when it may be disadvantageous for an investor to do so, (ii) for an investor to sell their Warrants at the then-current market price when they might otherwise wish to hold their Warrants or (iii) to accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of an investors Warrants.

In addition, we may redeem an investor's Warrants at any time after they become exercisable and prior to their expiration at a price of \$0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their Warrants prior to redemption for a number of Common Shares determined based on the redemption date and the fair market value of our Common Shares, provided that the last reported sales price of our Common Shares is equal to or exceeds \$10.00 per share (as adjusted for share sub divisions, share capitalizations, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. The value received upon exercise of the Warrants (1) may be less than the value the holders would have received if they had exercised their Warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the Warrants, including because the number of shares received is capped at 0.361 Common Shares per warrant (subject to adjustment) irrespective of the remaining life of the Warrants. None of the Private Placement Warrants will be redeemable by us so long as they are held by Patient Square or its permitted transferees.

Our management has the ability to require holders of our Warrants to exercise such Warrants on a cashless basis, which will cause holders to receive fewer Common Shares upon their exercise of the Warrants than they would have received had they been able to exercise their Warrants for cash.

If we call the Public Warrants for redemption after the redemption criteria have been satisfied, our management will have the option to require any holder that wishes to exercise their warrant (including any Warrants held by Patient Square, MAAC's former officers or directors, other purchasers of MAAC's founders' units, or their permitted transferees) to do so on a "cashless basis." If our management chooses to require holders to exercise their Warrants on a cashless basis, the number of Common Shares received by a holder upon exercise will be fewer than it would have been had such holder exercised his warrant for cash. This will have the effect of reducing the potential "upside" of the holder's investment in our company.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.

We are subject to laws and regulations enacted by national, regional and local governments. In particular, we will be required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations.

Anti-takeover provisions in our memorandum of association and bye-laws, as well as provisions of Bermuda law could delay or prevent a change in control, limit the price investors may be willing to pay in the future for our Common Shares and could entrench management

Our memorandum of association and bye-laws contain provisions that could make it more difficult for a third-party to acquire us without the consent of our board of directors. These provisions provide for:

- a classified board of directors with staggered three-year terms;
- the ability of our board of directors to determine the powers, preferences and rights of preference shares and to cause us to issue the preference shares without shareholder approval; and
- requiring advance notice for shareholder proposals and nominations and placing limitations on convening shareholder meetings.

These provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors of your choosing and cause us to take corporate actions other than those you desire, any of which could harm our share price.

Our largest shareholders own a significant percentage of our Common Shares and are able to exert significant control over matters subject to shareholder approval.

Our largest shareholders continue to hold a significant percentage of our Common Shares. As a result, these holders have the ability to substantially influence us and exert significant control through this ownership position and, in the case of certain holders, service on our board of directors. For example, these holders may be able to control elections of directors, issuance of equity, including to our employees under equity incentive plans, amendments of our organizational documents, or approval of any merger, amalgamation, sale of assets or other major corporate transaction. These holders' interests may not always coincide with our corporate interests or the interests of other shareholders, and they may exercise their voting and other rights in a manner with which you may not agree or that may not be in the best interests of our other shareholders. Furthermore, our largest shareholders may from time to time have interests that differ from ours or from one another, and from time to time there may be disputes with or between such shareholders, which could be costly, time-consuming and divert management resources. So long as these holders continue to own a significant amount of our equity, they will continue to be able to strongly influence our decisions.

Future sales and issuances of our or the Vants' equity securities or rights to purchase equity securities, including pursuant to our or the Vants' equity incentive and other compensatory plans, will result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.

We and the Vants will need additional capital in the future to continue our planned operations. To the extent we raise additional capital by issuing equity securities, including in our subsidiaries, our shareholders may experience substantial dilution. We or the Vants may sell securities, including convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell Common Shares, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. In addition, new investors could gain rights superior to our existing shareholders.

Pursuant to our 2021 Equity Incentive Plan (the "2021 EIP"), we are authorized to grant options, restricted stock units and other share-based awards to our employees, directors and consultants. The aggregate number of shares initially reserved for issuance under the 2021 EIP increases annually on the first day of each fiscal year during the term of the plan in an amount equal to the lesser of (i) 5% of the number of our Common Shares outstanding as of the day of the immediately preceding fiscal year and (ii) such number of our Common Shares as determined by our board of directors in its discretion. As a result of this annual increase, or if our board of directors elects in the future to make any additional increase in the number of shares available for future grant under the 2021 EIP, and if our shareholders approve of any such additional increase, our shareholders may experience additional dilution, and our share price may fall.

Issuance of options, restricted stock units and other share-based awards pursuant to equity incentive plans at the Vants may indirectly have a similar effect of diluting your ownership in us since a portion of the value of our Common Shares is tied to the value of the Vants, which would be diluted in the event of a grant of options or other similar equity grants to the employees of the Vants.

Future sales, or the perception of future sales, of our Common Shares by us or our existing shareholders in the public market could cause the market price for our Common Shares to decline and impact our ability to raise capital in the future.

Sales of a substantial number of our Common Shares in the public market by us or certain of our existing large shareholders, or the perception that these sales could occur, could substantially decrease the market price of our Common Shares. As of March 31, 2023, these large shareholders held approximately 70.7% of our issued and outstanding Common Shares. These shares have been registered for re-sale pursuant to a registration statement on Form S-3 and may also be sold pursuant to Rule 144 under the Securities Act, subject to certain restrictions (including restrictions applicable to affiliates in the case of shares held by persons deemed to be our affiliates). While certain of our significant shareholders are subject to contractual lock-up agreements as described under the heading "Lock-Up Agreements" in the description of our share capital attached as exhibit 4.5 to this annual report on Form 10-K, these lock-up agreements are subject to significant limitations and expire by their terms on February 29, 2024. The market price of our Common Shares could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. This, in turn, could also make it more difficult for us to raise additional funds through future offerings of our Common Shares or other securities at prices that are attractive to us, or at all.

If securities analysts publish negative evaluations of our shares, the price of our Common Shares could decline.

The trading market for our securities will be influenced by the research and reports that industry or securities analysts may publish about us, our business, market or competitors. If any of the analysts who may cover us change their recommendation regarding our Common Shares adversely, or provide more favorable relative recommendations about its competitors, the price of our Common Shares would likely decline. If any analyst who may cover us were to cease coverage or fail to regularly publish reports, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

Because there are no current plans to pay cash dividends on our Common Shares for the foreseeable future, you may not receive any return on investment unless you sell our Common Shares for a price greater than that which you paid for it.

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends as a public company in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions, applicable law and other factors that our board of directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our Common Shares unless you sell your shares of for a price greater than that which you paid for them.

We are an exempted company limited by shares incorporated under the laws of Bermuda and it may be difficult for you to enforce judgments against us or our directors and executive officers.

We are an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of our shareholders are governed by Bermuda law and our memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in another jurisdiction. It may be difficult for investors to enforce in the U.S. judgments obtained in U.S. courts against us based on the civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the U.S., against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions.

Bermuda law differs from the laws in effect in the U.S. and may afford less protection to our shareholders.

We are incorporated under the laws of Bermuda. As a result, our corporate affairs are governed by the Bermuda Companies Act 1981, as amended (the "Companies Act"), which differs in some material respects from laws typically applicable to U.S. corporations and shareholders, including the provisions relating to interested directors, amalgamations, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Generally, the duties of directors and officers of a Bermuda company are owed to the company only. Shareholders of Bermuda companies typically do not have rights to take action against directors or officers of the company and may only do so in limited circumstances. Shareholder class actions are not available under Bermuda law. The circumstances in which shareholder derivative actions may be available under Bermuda law are substantially more proscribed and less clear than they would be to shareholders of U.S. corporations. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than those who actually approved it.

When the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company. Additionally, under our bye-laws and as permitted by Bermuda law, each shareholder will waive any claim or right of action against our directors or officers for any action taken by directors or officers in the performance of their duties, except for actions involving fraud or dishonesty. In addition, the rights of our shareholders and the fiduciary responsibilities of our directors under Bermuda law are not as clearly established as under statutes or judicial precedent in existence in jurisdictions in the U.S., particularly the State of Delaware. Therefore, our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction within the U.S.

There are regulatory limitations on the ownership and transfer of our Common Shares.

Common shares may be offered or sold in Bermuda only in compliance with the provisions of the Companies Act and the Bermuda Investment Business Act 2003, which regulates the sale of securities in Bermuda. In addition, the Bermuda Monetary Authority must approve all issues and transfers of shares of a Bermuda exempted company. However, the Bermuda Monetary Authority has, pursuant to its statement of June 1, 2005, given its general permission under the Exchange Control Act 1972 and related regulations for the issue and free transfer of our Common Shares to and among persons who are non-residents of Bermuda for exchange control purposes as long as the shares are listed on an appointed stock exchange, which includes Nasdaq. Additionally, we have sought and have obtained a specific permission from the Bermuda Monetary Authority for the issue and transfer of our Common Shares up to the amount of our authorized capital from time to time, and options, warrants, depository receipts, rights, loan notes, debt instruments and our other securities to persons resident and non-resident for exchange control purposes with the need for prior approval of such issue or transfer. The general permission or the specific permission would cease to apply if we were to cease to be listed on the Nasdaq or another appointed stock exchange.

We may become subject to unanticipated tax liabilities and higher effective tax rates.

We are incorporated under the laws of Bermuda. We are centrally managed and controlled in the U.K., and under current U.K. tax law, a company which is centrally managed and controlled in the U.K. is regarded as resident in the U.K. for taxation purposes. Accordingly, we expect to be subject to U.K. taxation on our income and gains, and subject to U.K.'s controlled foreign company rules, except where an exemption applies. We may be treated as a dual resident company for U.K. tax purposes. As a result, our right to claim certain reliefs from U.K. tax may be restricted, and changes in law or practice in the U.K. could result in the imposition of further restrictions on our right to claim U.K. tax reliefs. We may also become subject to income, withholding or other taxes in certain jurisdictions by reason of our activities and operations, and it is also possible that taxing authorities in any such jurisdictions could assert that we are subject to greater taxation than we currently anticipate, including as a result of the denial of treaty benefits that we may claim. Any such additional tax liability could materially adversely affect our results of operations.

The intended tax effects of our corporate structure and intercompany arrangements depend on the application of the tax laws of various jurisdictions and on how we operate our business.

We are incorporated under the laws of Bermuda and are centrally managed and controlled in the UK. We currently have subsidiaries in the U.S., U.K., Switzerland and certain other jurisdictions. If we succeed in growing our business, we expect to conduct increased operations through our subsidiaries in various countries and tax jurisdictions, in part through intercompany service agreements between our subsidiaries and us. In that case, our corporate structure and intercompany transactions, including the manner in which we develop and use our intellectual property, will be organized so that we can achieve our business objectives in a tax-efficient manner and in compliance with applicable transfer pricing rules and regulations. If two or more affiliated companies are located in different countries or tax jurisdictions, the tax laws and regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm's length and that appropriate documentation be maintained to support the transfer prices. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable taxing authorities. If taxing authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm's length transactions between two or more affiliated companies, they could require such affiliated companies to adjust their transfer prices and thereby reallocate the income between such affiliated companies to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation. If taxing authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase its consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

Significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by changes in foreign currency exchange rates or by changes in the relevant tax, accounting, and other laws (including tax treaties), regulations, principles, and interpretations. As we intend to operate in numerous countries and taxing jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property.

In addition, tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. We continue to assess the impact of such changes in tax laws and interpretations on our business and may determine that changes to our structure, practice, tax positions or the manner in which we conduct our business are necessary in light of such changes and developments in the tax laws of other jurisdictions in which we operate. Such changes may nevertheless be ineffective in avoiding an increase in our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

Changes in our effective tax rate may reduce our net income in future periods.

Our tax position could be adversely impacted by changes in tax rates, tax laws, tax practice, tax treaties or tax regulations or changes in the interpretation thereof by the tax authorities in Europe (including the U.K. and Switzerland), the U.S., Bermuda and other jurisdictions, as well as being affected by certain changes currently proposed by the Organization for Economic Co-operation and Development and their action plan on Base Erosion and Profit Shifting. Such changes may become more likely as a result of recent economic trends in the jurisdictions in which we operate, particularly if such trends continue. If such a situation were to arise, it could adversely impact our tax position and our effective tax rate. Failure to manage the risks associated with such changes, or misinterpretation of the laws providing such changes, could result in costly audits, interest, penalties, and reputational damage, which could adversely affect our business, results of our operations, and our financial condition.

Our actual effective tax rate may vary from our expectation and that variance may be material. A number of factors may increase our future effective tax rates, including: (1) the jurisdictions in which profits are determined to be earned and taxed; (2) the resolution of issues arising from any future tax audits with various tax authorities; (3) changes in the valuation of our deferred tax assets and liabilities; (4) increases in expenses not deductible for tax purposes, including transaction costs and impairments of goodwill in connection with acquisitions; (5) changes in the taxation of stock-based compensation; (6) changes in tax laws (including tax treaties) or the interpretation of such tax laws (including tax treaties) and changes in U.S. generally accepted accounting principles; (7) challenges to the transfer pricing policies related to our structure; (8) potential taxation under the OECD BEPS 2.0; and (9) potential limitation on tax attributes due to ownership changes (i.e. Internal Revenue Code 382 and 383) or expiration.

U.S. holders that own 10% or more of the combined voting power or value of our Common Shares may suffer adverse tax consequences because we and our non-U.S. subsidiaries may be characterized as “controlled foreign corporations” (“CFCs”) under Section 957(a) of the Code.

A non-U.S. corporation is considered a CFC if more than 50% of (1) the total combined voting power of all classes of stock of such corporation entitled to vote, or (2) the total value of the stock of such corporation, is owned, or is considered as owned by applying certain constructive ownership rules, by U.S. shareholders (U.S. persons who own stock representing 10% or more of the combined voting power or value of all outstanding stock of such non-U.S. corporation) on any day during the taxable year of such non-U.S. corporation. Certain U.S. shareholders of a CFC generally are required to include currently in gross income such shareholders’ share of the CFC’s “Subpart F income,” a portion of the CFC’s earnings to the extent the CFC holds certain U.S. property, and a portion of the CFC’s “global intangible low-taxed income” (as defined under Section 951A of the Code). Such U.S. shareholders are subject to current U.S. federal income tax with respect to such items, even if the CFC has not made an actual distribution to such shareholders. “Subpart F income” includes, among other things, certain passive income (such as income from dividends, interests, royalties, rents and annuities or gain from the sale of property that produces such types of income) and certain sales and services income arising in connection with transactions between the CFC and a person related to the CFC. “Global intangible low-taxed income” may include most of the remainder of a CFC’s income over a deemed return on its tangible assets.

We believe that we will not be classified as a CFC for the taxable year ended March 31, 2023. However, our non-U.S. subsidiaries will be classified as CFCs for the taxable year ended March 31, 2023. For U.S. holders who hold 10% or more of the combined voting power or value of our Common Shares, this may result in adverse U.S. federal income tax consequences, such as current U.S. taxation of Subpart F income (regardless of whether we make any distributions), taxation of amounts treated as global intangible low-taxed income under Section 951A of the Code with respect to such shareholder, and being subject to certain reporting requirements with the IRS. Any such U.S. holder who is an individual generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a U.S. corporation. If you are a U.S. holder who holds 10% or more of the combined voting power or value of our Common Shares, you should consult your own tax advisors regarding the U.S. tax consequences of acquiring, owning, or disposing of our Common Shares.

U.S. holders of our Common Shares may suffer adverse tax consequences if we are characterized as a passive foreign investment company.

Generally, if, for any taxable year, at least 75% of our gross income is passive income, or at least 50% of the average quarterly value of our assets is attributable to assets that produce passive income or are held for the production of passive income, including cash, we would be characterized as a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes. For purposes of these tests, passive income generally includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. Additionally, if we own (directly or indirectly) at least 25% (by value) of the stock of another corporation, for purposes of determining whether we are a PFIC, generally we would be treated as if we held our proportionate share of the assets of such other corporation and received directly our proportionate share of the income of such other corporation and generally we would retain the character of such assets and income as if they were held directly by us rather than by such other corporation. If we are characterized as a PFIC, U.S. holders of our Common Shares may suffer adverse tax consequences, including having gains realized on the sale of our Common Shares treated as ordinary income rather than capital gain, the loss of the preferential tax rate applicable to dividends received on our Common Shares by individuals who are U.S. holders, and having interest charges apply to certain distributions by us and the proceeds of sales or other dispositions of our Common Shares that result in a gain to the U.S. holder. In addition, special information reporting may be required.

Our status as a PFIC will depend on the nature and composition of our income and the nature, composition and value of our assets from time to time. The 50% passive asset test described above is generally based on the fair market value of each asset. If we are a CFC (determined by disregarding certain downward attribution rules) and not publicly traded for the relevant taxable year, however, the test shall be applied based on the adjusted basis of our assets. Because our Common Shares should be considered to be “publicly traded” for the taxable years ending on March 31, 2022 and March 31, 2023, we would apply the 50% passive asset test using the fair market value of our assets. In addition, our status may also depend, in part, on how quickly we utilize our cash on-hand and cash from future financings in our business.

Treasury regulations adopted in 2021 (the “2021 Regulations”) modify certain of the rules described above. The 2021 Regulations generally apply to taxable years of shareholders beginning on or after January 14, 2021. A shareholder, however, may choose to apply such rules for any open taxable year beginning before January 14, 2021, provided that, with respect to a non-U.S. corporation being tested for PFIC status, the shareholder consistently applies certain of the provisions of the 2021 Regulations and certain other Treasury regulations for such year and all subsequent years. Investors who are U.S. holders should consult their own tax advisors regarding the impact and applicability of the 2021 Regulations.

Based on the foregoing, with respect to the taxable year that ended on March 31, 2023, we believe that we were not a PFIC based in part on our belief that we were not classified as a CFC in the taxable year that ended on March 31, 2023 and based upon the fair market value of our assets, including any goodwill and intangible property, and the nature and composition of our income and assets.

Our status as a PFIC is a fact-intensive determination made on an annual basis, which is subject to uncertainties, including but not limited to the fact that the value of our assets for purposes of the PFIC determination may be affected by the trading value of our Common Shares, which could fluctuate significantly. The total value of our assets for purposes of the PFIC asset test frequently (though not invariably) may be inferred using the market price of our ordinary shares, which may fluctuate considerably and thereby affect the determination of our PFIC status for future taxable years. Our U.S. counsel expresses no opinion with respect to our PFIC status for the current or future taxable years. We will endeavor to determine our PFIC status for each taxable year and make such determination available to U.S. holders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive offices are located at 7th Floor, 50 Broadway, London SW1H 0DB, United Kingdom. Our registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Certain of our subsidiaries and affiliates also have business operations in New York, New York, Boston, Massachusetts and Basel, Switzerland.

Our subsidiary Roivant Sciences, Inc. subleases 83,340 square feet of office space located in New York, New York, pursuant to a sublease agreement that expires in October 2032. Certain of our subsidiaries and affiliates also lease office space in Boston, Massachusetts and Basel, Switzerland. We do not own any properties.

We believe that our and our subsidiaries' leased facilities are in good condition and are well maintained and that our current arrangements will be sufficient to meet our needs for the foreseeable future and that any required additional space will be available on commercially reasonable terms to meet space requirements if they arise.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in legal or regulatory proceedings arising in the ordinary course of our business. We do not currently, however, expect any such legal proceedings to have a material adverse effect on our business, operating results or financial condition. However, depending on the nature and timing of a given dispute, an unfavorable resolution could materially affect our current or future results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND PURCHASES OF EQUITY SECURITIES

Market Information

Our Common Shares began trading on The Nasdaq Global Market (“Nasdaq”) under the symbol “ROIV” on October 1, 2021. Prior to that date, there was no public trading market for our Common Shares.

Warrants to purchase our Common Shares originally began trading on The Nasdaq Stock Market LLC as units under the symbol “MAACU” on October 6, 2020, in connection with the initial public offering of Montes Archimedes Acquisition Corp. (“MAAC”). Following the completion of the Business Combination with MAAC on September 30, 2021, we assumed MAAC’s obligations under the warrants and they began trading on The Nasdaq Global Market under the symbol “ROIVW” on October 1, 2021.

Holdings

As of June 26, 2023, there were 100 holders of record of our Common Shares and two holders of record of warrants to purchase our Common Shares. The actual number of holders of our Common Shares and warrants is greater than these numbers of record holders and includes stockholders who are beneficial owners but whose Common Shares or warrants are held in street name by banks, brokers and other nominees.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors.

Securities Authorized for Issuance under Equity Compensation Plans

Information about our equity compensation plans in Item 12 of Part III of this Annual Report on Form 10-K is incorporated herein by reference.

Sales of Unregistered Securities and Use of Proceeds

None.

Issuer Repurchases of Equity Securities

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Roivant’s financial condition and results of operations should be read in conjunction with Roivant’s consolidated financial statements and notes to those statements included elsewhere in this Annual Report on Form 10-K. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. Roivant’s actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors. Please see “Forward-Looking Statements” and “Risk Factors” in this Annual Report on Form 10-K. Our fiscal year ends on March 31 and our fiscal quarters end on June 30, September 30 and December 31.

Overview

Roivant is a commercial-stage biopharmaceutical company that aims to improve the lives of patients by accelerating the development and commercialization of medicines that matter. Today, Roivant’s pipeline is concentrated in inflammation and immunology and includes VTAMA, a novel topical approved for the treatment of psoriasis and in development for the treatment of atopic dermatitis; batoclimab and IMVT-1402, fully human monoclonal antibodies targeting the neonatal Fc receptor (“FcRn”) in development across several IgG-mediated autoimmune indications; and RVT-3101, an anti-TL1A antibody in development for ulcerative colitis and Crohn’s disease, in addition to several other therapies in various stages of clinical development. We advance our pipeline by creating nimble subsidiaries or “Vants” to develop and commercialize our medicines and technologies. Beyond therapeutics, Roivant also incubates discovery-stage companies and health technology startups complementary to its biopharmaceutical business.

Components of Results of Operations

Product revenue, net

With the FDA approval of VTAMA for the treatment of plaque psoriasis in adult patients and our initial product launch in May 2022, we began to recognize product revenues. We record product revenue net of estimated chargebacks, discounts, rebates, returns, and other allowances associated with the respective sales.

License, milestone and other revenue

License, milestone and other revenue includes the recognition of upfront payments received in connection with license agreements as well as revenue generated by subscription and service-based fees.

Cost of revenues

We began to recognize cost of product revenues after the initial product launch of VTAMA in May 2022. Cost of product revenues includes the cost of producing and distributing inventories related to product revenue during the respective period, including manufacturing, freight, and indirect overhead costs. Additionally, milestone payments made in connection with regulatory approvals and sales-based milestones are capitalized and amortized to cost of revenue over the remaining useful life of the asset. Our cost of revenues also relates to subscription and service-based revenue recognized for the use of technology developed and consists primarily of employee, hosting, and third-party data costs.

Research and development expenses

Research and development expenses consist mainly of costs incurred in connection with the discovery and development of our product candidates. Research and development expenses primarily include the following:

- Program-specific costs, including direct third-party costs, which include expenses incurred under agreements with contract research organizations (“CROs”) and contract manufacturing organizations (“CMOs”), manufacturing costs in connection with producing materials for use in conducting nonclinical and clinical studies, the cost of consultants who assist with the development of our product candidates on a program-specific basis, investigator grants, sponsored research, and any other third-party expenses directly attributable to the development of our product candidates.
- Unallocated internal costs, including:
 - employee-related expenses, such as salaries, share-based compensation, and benefits, for research and development personnel; and
 - other expenses that are not allocated to a specific program.

Research and development activities will continue to be central to our business model. We anticipate that our research and development expenses will increase for the foreseeable future as we advance our product candidates and our recently in-licensed assets through preclinical studies and clinical trials, as well as acquire or discover new product candidates. We expect higher employee-related expenses, including share-based compensation expenses, as well as higher consulting costs as we hire additional resources to support increasing development activity.

The duration, costs and timing of preclinical studies and clinical trials of our product candidates will depend on a variety of factors that include, but are not limited to, the following:

- the scope, rate of progress, expense and results of our preclinical development activities, any future clinical trials of our product candidates, and other research and development activities that we may conduct;
- the number and scope of preclinical and clinical programs we decide to pursue;
- the uncertainties in clinical trial design and patient enrollment or drop out or discontinuation rates;
- the number of doses that patients receive;
- the countries in which the trials are conducted;
- our ability to secure and leverage adequate CRO support for the conduct of clinical trials;
- our ability to establish an appropriate safety and efficacy profile for our product candidates;
- the timing, receipt and terms of any approvals from applicable regulatory authorities;
- the potential additional safety monitoring or other studies requested by regulatory agencies;
- the significant and changing government regulation and regulatory guidance;
- our ability to establish clinical and commercial manufacturing capabilities, or make arrangements with third-party manufacturers in order to ensure that we or our third-party manufacturers are able to make product successfully;
- the impact of any business interruptions to our operations due to the COVID-19 pandemic or other epidemics; and
- our ability to maintain a continued acceptable safety profile of our product candidates following approval of our product candidates.

The successful development of our product candidates is highly uncertain, and we cannot reasonably estimate the costs that will be necessary to complete the remainder of the development of our product candidates. In addition, the probability of success for our product candidates will depend on numerous factors, including competition, manufacturing capability and commercial viability.

Acquired in-process research and development expenses

Acquired in-process research and development (“IPR&D”) expenses include consideration for the purchase of IPR&D through asset acquisitions and license agreements as well as payments made in connection with asset acquisitions and license agreements upon the achievement of development milestones.

Consideration for the purchase of IPR&D through asset acquisitions and license agreements includes cash upfront payments, shares and other liability instruments issued, and fair value of future contingent consideration payments.

Selling, general and administrative expenses

Selling, general and administrative (“SG&A”) expenses consist primarily of employee-related expenses, such as salaries, share-based compensation, sales incentive compensation, and benefits, for employees engaged in SG&A activities. SG&A employees include those responsible for the identification and acquisition or in-license of new drug candidates as well as for managing Vant operations and facilitating the use of our platform and technologies at the Vants. SG&A expenses also consist of marketing programs, advertising, legal and accounting fees, consulting services, and other operating costs relating to corporate matters and daily operations. Additionally, SG&A expenses include costs incurred relating to the identification, acquisition or in-license and technology transfer of promising drug candidates along with costs incurred relating to the integration of new technologies.

We expect SG&A expenses to increase in future periods as we continue to expand our sales and marketing infrastructure and general administrative functions. These increases will likely include salaries, sales incentive compensation, share-based compensation and travel expenses associated with our sales force, which began promoting VTAMA in the United States following approval by the FDA in May 2022, as well as expected costs associated with the further build out of our commercial operations functions. We anticipate these expenses to further increase if any of our other current or future product candidates receives regulatory approval in the United States or another jurisdiction.

Change in fair value of investments

Change in fair value of investments primarily includes the unrealized loss on equity investments in publicly-traded companies, including Arbutus Biopharma Corporation (“Arbutus”), as well as our equity investment in Heracles Parent, L.L.C., the parent entity of the Datavant business (“Datavant”). We have elected the fair value option to account for these investments.

Change in fair value of debt and liability instruments

Change in fair value of debt and liability instruments primarily includes the unrealized loss (gain) relating to the measurement and recognition of fair value on a recurring basis of certain liabilities, including debt issued by a wholly-owned subsidiary of Dermavant Sciences Ltd. to NovaQuest Co-Investment Fund VIII, L.P. (the “NovaQuest Facility”), and other liability instruments, including warrant and earn-out share liabilities issued in connection with our business combination (the “Business Combination”) with Montes Archimedes Acquisition Corp. (“MAAC”), a special purpose acquisition company.

Gain on deconsolidation of subsidiaries

Gain on deconsolidation of subsidiaries resulted from the determination that we no longer had a controlling financial interest in certain subsidiaries.

Interest income

Interest income consists of interest earned on our cash equivalents.

Interest expense

Interest expense results from interest accrued on long-term debt and the amortization of debt discount and issuance costs.

Income tax expense

Income tax expense is recorded for the jurisdictions in which we do business. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded when, after consideration of all positive and negative evidence, it is not more likely than not that our deferred tax assets will be realizable. When uncertain tax positions exist, we recognize the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Income from discontinued operations, net of tax

Income from discontinued operations, net of tax represents the gain on sale of common shares of Myovant Sciences Ltd. (“Myovant”) as a result of Sumitovant Biopharma Ltd.’s (“Sumitovant”) acquisition of Myovant in March 2023. We were entitled to these shares of Myovant pursuant to the December 2019 transaction with Sumitomo Pharma Co., Ltd. (the “Sumitomo Transaction”) that included, among other things, the transfer of our ownership interest in five Vants to Sumitovant. The Sumitomo Transaction was presented as discontinued operations during the year ending March 31, 2020, and the right to receive certain common shares of Myovant was treated as a contingent consideration upon a sale of the business and accounted for as a gain contingency.

Net loss attributable to noncontrolling interests

Net loss attributable to noncontrolling interests consists of the portion of net loss of those consolidated entities that is not allocated to us. Changes in the amount of net loss attributable to noncontrolling interests are directly impacted by the net loss of our consolidated entities and changes in ownership percentages.

Results of Operations

Comparison of the years ended March 31, 2023 and 2022

The following table sets forth our results of operations for the years ended March 31, 2023 and 2022:

	Years Ended March 31,		Change
	2023	2022	
	<i>(in thousands)</i>		
Revenues:			
Product revenue, net	\$ 28,011	\$ —	\$ 28,011
License, milestone and other revenue	33,269	55,286	(22,017)
Revenue, net	<u>61,280</u>	<u>55,286</u>	<u>\$ 5,994</u>
Operating expenses:			
Cost of revenues	13,128	8,966	4,162
Research and development	525,215	483,035	42,180
Acquired in-process research and development	97,749	139,894	(42,145)
Selling, general and administrative	600,506	775,033	(174,527)
Total operating expenses	<u>1,236,598</u>	<u>1,406,928</u>	<u>(170,330)</u>
Loss from operations	<u>(1,175,318)</u>	<u>(1,351,642)</u>	<u>176,324</u>
Change in fair value of investments	20,815	87,291	(66,476)
Gain on sale of investment	—	(443,754)	443,754
Change in fair value of debt and liability instruments	78,001	(3,354)	81,355
Gain on termination of Sumitomo Options	—	(66,472)	66,472
Gain on deconsolidation of subsidiaries	(29,276)	(5,041)	(24,235)
Interest income	(32,184)	(369)	(31,815)
Interest expense	27,968	7,041	20,927
Other income, net	(15,808)	(3,237)	(12,571)
Loss from continuing operations before income taxes	<u>(1,224,834)</u>	<u>(923,747)</u>	<u>(301,087)</u>
Income tax expense	5,190	369	4,821
Loss from continuing operations, net of tax	<u>(1,230,024)</u>	<u>(924,116)</u>	<u>(305,908)</u>
Income from discontinued operations, net of tax	114,561	—	114,561
Net loss	<u>(1,115,463)</u>	<u>(924,116)</u>	<u>(191,347)</u>
Net loss attributable to noncontrolling interests	(106,433)	(78,854)	(27,579)
Net loss attributable to Roivant Sciences Ltd.	<u>\$ (1,009,030)</u>	<u>\$ (845,262)</u>	<u>\$ (163,768)</u>

Variance analysis for years ended March 31, 2023 and 2022

Product revenue, net

	Years Ended March 31,		Change
	2023	2022	
	<i>(in thousands)</i>		
Product revenue, net	\$ 28,011	\$ —	\$ 28,011

Product revenue, net was \$28.0 million for the year ended March 31, 2023, consisting of net product revenues from the sale of VTAMA, following the approval of VTAMA for the treatment of plaque psoriasis in adult patients by the FDA in May 2022. We did not generate any product revenues, net for the year ended March 31, 2022.

License, milestone and other revenue

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
License, milestone and other revenue	\$ 33,269	\$ 55,286	\$ (22,017)

License, milestone and other revenue decreased by \$22.0 million to \$33.3 million for the year ended March 31, 2023, compared to \$55.3 million for the year ended March 31, 2022. During the year ended March 31, 2023, license, milestone and other revenue primarily related to payments received in connection with licensing arrangements, including the collaboration and license agreement entered between Covant Therapeutics Operating, Inc. and Boehringer Ingelheim International, GmbH in March 2023. During the year ended March 31, 2022, license, milestone and other revenue primarily related to payments received in connection with license agreements and the licensing of technology as well as revenue relating to the sales of clinical product and milestone income at Dermavant pursuant to a collaboration and license agreement with Japan Tobacco Inc.

Cost of revenues

For the years ended March 31, 2023 and 2022, our cost of revenues consisted of the following:

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Cost of product and other revenues	\$ 5,660	\$ 8,966	\$ (3,306)
Amortization of intangible assets	7,468	—	7,468
Cost of revenues	\$ 13,128	\$ 8,966	\$ 4,162

Cost of revenues increased by \$4.2 million to \$13.1 million for the year ended March 31, 2023, compared to \$9.0 million for the year ended March 31, 2022. During the year ended March 31, 2023, cost of revenues included \$1.8 million of costs relating to the sale of VTAMA as well as \$7.5 million of amortization expense recognized in connection with milestones capitalized following the FDA approval of VTAMA in May 2022. During the year ended March 31, 2022, cost of revenues was primarily related to cost associated with the sales of clinical product of tapinarof by Dermavant to Japan Tobacco Inc.

Research and development expenses

For the years ended March 31, 2023 and 2022, our research and development expenses consisted of the following:

	Years Ended March 31,		Change
	2023	2022⁽¹⁾	
		<i>(in thousands)</i>	
<i>Program-specific costs:</i>			
Anti-FcRn franchise ⁽²⁾	\$ 88,747	\$ 52,009	\$ 36,738
Tapinarof	45,201	64,496	(19,295)
Brepocitinib	38,627	24,890	13,737
RVT-2001	16,075	1,132	14,943
AFVT-2101	15,628	12,657	2,971
ARU-1801	12,940	23,312	(10,372)
Namilumab	11,757	8,745	3,012
RVT-3101	7,559	—	7,559
LSVT-1701	7,173	11,067	(3,894)
ARU-2801	3,456	12,031	(8,575)
Other development and discovery programs	83,680	74,700	8,980
Total program-specific costs	<u>330,843</u>	<u>285,039</u>	<u>45,804</u>
<i>Unallocated internal costs:</i>			
Share-based compensation	30,914	63,735	(32,821)
Personnel-related expenses	131,908	103,827	28,081
Other expenses	31,550	30,434	1,116
Total research and development expenses	<u>\$ 525,215</u>	<u>\$ 483,035</u>	<u>\$ 42,180</u>

(1) Certain prior year amounts have been reclassified to conform to current year presentation.

(2) Reflects program-specific costs relating to Immunovant's batoclimab program for the treatment of neurology, endocrine, and hematology diseases and Immunovant's IMVT-1402 program.

Research and development expenses increased by \$42.2 million to \$525.2 million for the year ended March 31, 2023, compared to \$483.0 million for the year ended March 31, 2022, primarily due to increases in program-specific costs of \$45.8 million and personnel-related expenses of \$28.1 million, partially offset by a decrease in share-based compensation of \$32.8 million.

The increase of \$45.8 million in program-specific costs largely reflects the progression of our programs and drug discovery, including the anti-FcRn franchise, RVT-2001, brepocitinib, and RVT-3101. The asset acquisitions of brepocitinib, RVT-2001, and RVT-3101 were completed in September 2021, November 2021, and November 2022, respectively. Increases in program-specific costs were partially offset by certain decreases, including \$19.3 million for tapinarof, which was primarily due to the completion of ADORING 1 and ADORING 2 phase 3 atopic dermatitis clinical trials during the year ended March 31, 2023.

The increase of \$28.1 million in personnel-related expenses largely reflects the progression of our programs, particularly the anti-FcRn franchise. Personnel-related expenses increased at Immunovant primarily as a result of higher headcount and enhancement of capabilities to support Immunovant's strategic objectives as clinical activities were resumed and potential new indications were evaluated.

The decrease of \$32.8 million in share-based compensation expense was primarily due to the achievement of the liquidity event vesting condition for certain equity instruments upon the closing of the Business Combination in September 2021, resulting in the recognition of a one-time catch-up expense of \$22.9 million relating to cumulative service rendered between the grant date of the respective awards and completion of the Business Combination and continued recognition of expense over the requisite service periods.

Acquired in-process research and development expenses

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Consideration for the purchase of IPR&D	\$ 87,749	\$ 97,412	\$ (9,663)
Development milestone payments	10,000	42,482	(32,482)
Total acquired in-process research and development expenses	\$ 97,749	\$ 139,894	\$ (42,145)

Acquired in-process research and development expenses decreased by \$42.1 million to \$97.7 million for the year ended March 31, 2023, compared to \$139.9 million for the year ended March 31, 2022. The decrease was primarily due to higher consideration for the purchase of IPR&D during the year ended March 31, 2022 as a result of consideration for the purchase of IPR&D of \$82.1 million relating to the acquisition of brepocitinib, a one-time milestone expense of approximately \$39 million due to the achievement of a development milestone related to tapinarof, and consideration for the purchase of IPR&D of \$14.1 million relating to the acquisition of RVT-2001. Acquired in-process research and development expenses for the year ended March 31, 2023 was driven by consideration for the purchase of IPR&D of \$87.7 million relating to the acquisition of RVT-3101 and the achievement of a development milestone relating to batoclimab, which resulted in a one-time milestone expense of \$10.0 million.

Selling, general and administrative expenses

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Selling, general and administrative	\$ 600,506	\$ 775,033	\$ (174,527)

Selling, general and administrative expenses decreased by \$174.5 million to \$600.5 million for the year ended March 31, 2023, compared to \$775.0 million for the year ended March 31, 2022. The decrease was primarily due to a decrease in share-based compensation expense of \$314.6 million, partially offset by higher selling, general and administrative expenses at Dermavant as a result of the commercial launch of VTAMA. The decrease in share-based compensation resulted from the achievement of the liquidity event vesting condition for certain equity instruments upon the closing of the Business Combination in September 2021, resulting in the recognition of a one-time catch-up expense of \$350.0 million for the year ended March 31, 2022 for cumulative service rendered between the grant date of the respective awards and completion of the Business Combination.

Change in fair value of investments

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Change in fair value of investments	\$ 20,815	\$ 87,291	\$ (66,476)

Change in fair value of investments was an unrealized loss of \$20.8 million and unrealized loss of \$87.3 million for the years ended March 31, 2023 and 2022, respectively. The change of \$66.5 million was primarily driven by changes in the public share prices of our equity investments, including Arbutus, as well as the change in fair value of our investment in Datavant following the completion of the Datavant Merger (as defined below) in July 2021.

Gain on sale of investment

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Gain on sale of investment	\$ —	\$ (443,754)	\$ 443,754

Gain on sale of investment was \$443.8 million for the year ended March 31, 2022 and resulted from Datavant's merger with a wholly-owned subsidiary of Heracles Parent, L.L.C., the parent company of CIOX Health, (the "Datavant Merger") in July 2021 at which point we received approximately \$320 million in cash and a minority equity stake in the combined company.

Change in fair value of debt and liability instruments

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Change in fair value of debt and liability instruments	\$ 78,001	\$ (3,354)	\$ 81,355

Change in fair value of debt and liability instruments was an unrealized loss of \$78.0 million and unrealized gain of \$3.4 million for the years ended March 31, 2023 and 2022, respectively. Change in fair value of debt and liability instruments for the year ended March 31, 2023 primarily consisted of an unrealized loss of \$59.6 million relating to the NovaQuest facility, which was primarily due to the impact of VTAMA approval in psoriasis, and an unrealized loss of \$24.1 million relating to the warrant and earn-out share liabilities issued as part of the Business Combination. Change in fair value of debt and liability instruments for the year ended March 31, 2022 primarily consisted of an unrealized gain of \$30.8 million relating to the warrant and earn-out share liabilities issued as part of the Business Combination, partially offset by an unrealized loss of \$27.3 million relating to the NovaQuest facility, which was largely due to the passage of time and increased probabilities of success as a result of advancement in the stage of development of the product candidate.

Gain on termination of Sumitomo Options

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Gain on termination of Sumitomo Options	\$ —	\$ (66,472)	\$ 66,472

Gain on termination of Sumitomo Options was \$66.5 million for the year ended March 31, 2022 due to the completion of transactions contemplated by an Asset Purchase Agreement entered into with Sumitomo Pharma Co., Ltd. and its subsidiary Sumitomo Pharmaceuticals (Suzhou) Co., Ltd.

Gain on deconsolidation of subsidiaries

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Gain on deconsolidation of subsidiaries	\$ (29,276)	\$ (5,041)	\$ (24,235)

Gain on deconsolidation of subsidiaries was \$29.3 million for the year ended March 31, 2023 and resulted from the deconsolidation of certain subsidiaries in November 2022 and July 2022.

Gain on deconsolidation of subsidiaries was \$5.0 million for the year ended March 31, 2022 and resulted from the deconsolidation of a subsidiary in January 2022.

Interest income

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Interest income	\$ (32,184)	\$ (369)	\$ (31,815)

Interest income increased by \$31.8 million to \$32.2 million for the year ended March 31, 2023, compared to \$0.4 million for the year ended March 31, 2022. The increase is primarily the result of higher interest rates on our invested cash.

Interest expense

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Interest expense	\$ 27,968	\$ 7,041	\$ 20,927

Interest expense increased by \$20.9 million to \$28.0 million for the year ended March 31, 2023, compared to \$7.0 million for the year ended March 31, 2022. The increase primarily resulted from Dermavant's revenue interest purchase and sale agreement (the "RIPSA"), pursuant to which funding of \$160.0 million was received in June 2022 following the approval of VTAMA by the FDA in May 2022.

Income from discontinued operations, net of tax

	Years Ended March 31,		Change
	2023	2022	
		<i>(in thousands)</i>	
Income from discontinued operations, net of tax	\$ 114,561	\$ —	\$ 114,561

Income from discontinued operations, net of tax was \$114.6 million for the year ended March 31, 2023 and resulted from the gain on sale of common shares of Myovant (the "Myovant Top-Up Shares") after Sumitovant's acquisition of Myovant in March 2023. We were entitled to the Myovant Top-Up Shares pursuant to the Sumitomo Transaction, and this right to receive the Myovant Top-Up Shares was treated as contingent consideration upon sale of business and accounted for as a gain contingency. Refer to Note 11, "Discontinued Operations" of our audited financial statements for additional information.

Liquidity and Capital Resources

For the years ended March 31, 2023 and 2022, we incurred losses from continuing operations of approximately \$1.2 billion and \$924.1 million, respectively. As of March 31, 2023, we had cash and cash equivalents of approximately \$1.7 billion and our accumulated deficit was approximately \$3.8 billion. Through our subsidiary Dermavant, we launched our first commercial product, VTAMA, following approval by the FDA in May 2022. We began generating product revenue, net from sales of VTAMA in the United States in May 2022. We also have generated revenue through license agreements as well as from subscription and service-based fees.

Our short-term and long-term liquidity requirements as of March 31, 2023 included:

- Contractual payments related to our long-term debt (see Note 9, “Long-Term Debt” of our audited financial statements);
- obligations under our leases (see Note 15, “Leases” of our audited financial statements);
- certain commitments to Palantir Technologies Inc. (“Palantir”) totaling \$30.0 million related to a master subscription agreement entered in May 2021 for access to Palantir’s proprietary software for a five-year period;
- certain commitments to Samsung Biologics Co., Ltd. (“Samsung”) pursuant to a Product Service Agreement entered between Immunovant and Samsung by which Samsung will manufacture and supply Immunovant with batoclimab drug substance for commercial sale and perform other manufacturing-related services with respect to batoclimab. The minimum purchase commitment related to this agreement is estimated to be approximately \$33.3 million; and

- certain commitments to GSK pursuant to a commercial supply agreement entered between Dermavant and GSK. In conjunction with Dermavant's entry into the GSK Agreement in 2018, Dermavant entered into a clinical supply agreement pursuant to which GSK would provide a supply of tapinarof and clinical product at an agreed upon price during our clinical trials. In April 2019, Dermavant entered into a commercial supply agreement with GSK to continue to provide certain quantities of tapinarof and commercial product at agreed upon minimum quantities and price. The commercial supply agreement commenced in April 2022 upon completion of certain quality and regulatory conditions. In July 2022, Dermavant and GSK amended the terms of the clinical supply and commercial supply agreements which released GSK of certain commitments to supply tapinarof and released Dermavant of certain commitments to purchase tapinarof in exchange for a supplementary fee. Other supply and purchase commitments under the agreements remain in effect. In addition, Dermavant and Thermo Fisher Scientific ("TFS") entered into a Commercial Manufacturing and Supply Agreement for which TFS agreed to provide a supply of tapinarof to Dermavant at an agreed upon price. The agreements discussed above require Dermavant to purchase certain quantities of inventory over a period of five years. The minimum purchase commitment related to these agreements is estimated to be approximately \$38.0 million.

The above purchase commitments do not represent all of our anticipated purchases, but instead represent only the contractually obligated minimum purchases or firm commitments of non-cancelable minimum amounts.

Additionally, we have certain payment obligations under various asset acquisition and license agreements. Under these agreements we are required to make milestone payments upon successful completion and achievement of certain development, regulatory and commercial milestones. The payment obligations under the asset acquisition and license agreements are contingent upon future events, such as our achievement of specified development, regulatory and commercial milestones, and the amount, timing, and likelihood of such payments are not known. We will also be required to make milestone payments and royalty payments in connection with the sale of products developed under these agreements.

We enter into agreements in the normal course of business with CROs and other vendors for clinical trials and with vendors for preclinical studies and other services and products for operating purposes, which are generally cancelable upon written notice.

We had cash, cash equivalents and restricted cash of approximately \$1.7 billion at March 31, 2023, which we expect to support cash runway into the second half of calendar year 2025. However, we have based this estimate on assumptions that may prove to be wrong, which may require us to use our capital resources sooner than expected. See "Forward-Looking Statements" and "Risk Factors" in this Annual Report on Form 10-K.

Our operations to date have been financed primarily through the sale of equity securities, sale of subsidiary interests, debt financings and revenue generated from licensing and collaboration arrangements.

RSL Equity Financing Transactions

Since inception, we have completed multiple equity financing transactions, including the following:

In December 2019, together with Sumitomo, we completed the transactions contemplated by the transaction agreement by and between us and Sumitomo, dated as of October 31, 2019. In connection with the Sumitomo Transaction, we raised net proceeds of approximately \$999.2 million due to the sale of our common shares to Sumitomo.

In September 2021, we completed our Business Combination with MAAC, a special purpose acquisition company, as well as concurrent PIPE Financing. In connection with the Business Combination and PIPE Financing, we received approximately \$213.4 million in cash at closing.

In September 2022, we entered into a sales agreement (the "Sales Agreement") with Cowen and Company, LLC ("Cowen") to sell our common shares having an aggregate offering price of up to \$400.0 million from time to time through an "at-the-market" equity offering program under which Cowen acts as our agent (the "ATM Facility"). As of March 31, 2023, we had \$400.0 million of remaining capacity available under the ATM Facility.

In November 2022, we completed an underwritten primary and secondary public offering of 30,000,000 of our common shares at a price to the public of \$5.00 per share. Of these common shares, 20,000,000 were sold by us and 10,000,000 were sold by certain selling shareholders. Net proceeds to us were approximately \$94.7 million after deducting underwriting discounts and commissions and offering expenses. We did not receive any proceeds from the sale of common shares by the selling shareholders in the offering.

In February 2023, we completed an underwritten public offering of 30,666,665 of our common shares (including 3,999,999 common shares issued and sold upon the full exercise of the underwriters' option to purchase additional shares) at a price to the public of \$7.50 per share. Net proceeds to us were approximately \$216.9 million after deducting underwriting discounts and commissions and offering expenses.

Sumitomo Transaction

In December 2019, we closed the Sumitomo Transaction, including the transfer of our ownership interest in five Vants – Myovant, Urovant Sciences Ltd., Enzyvant Therapeutics Ltd., Altavant Sciences Ltd., and Spirovant Sciences Ltd. – to Sumitovant, a wholly-owned subsidiary of Sumitomo. In addition, in connection with the Sumitomo Transaction, we (i) granted Sumitomo options to purchase all, or in the case of Dermavant, 75%, of our ownership interests in six other subsidiaries and (ii) provided Sumitomo and Sumitovant with certain rights over and access to our proprietary technology platforms, DrugOme and Digital Innovation. In exchange for these components of the Sumitomo Transaction, we received approximately \$1.9 billion in cash, which was in addition to the approximately \$999.2 million from the sale of our common shares to Sumitomo as discussed above.

In June 2021, we completed a transaction with Sumitomo pursuant to which Sumitomo terminated its existing options to acquire our equity interests in certain of our subsidiaries.

In October 2022, Myovant entered into an agreement with Sumitovant, its majority shareholder, under which Sumitovant would acquire the remaining shares of Myovant not already owned by Sumitovant at a price of \$27.00 per share in a cash transaction (the “Myovant Transaction”). The acquisition of Myovant by Sumitovant was completed in March 2023. In connection with the closing of the Myovant Transaction, we received approximately \$114.6 million in March 2023 for the sale of the Myovant Top-Up Shares. Refer to Note 11, “Discontinued Operations” of our audited financial statements for additional information.

Consolidated Vant Equity Financing Transactions

Since inception, we have completed multiple Vant equity financing transactions, including the following:

Immunovant

In December 2019, Immunovant raised \$111.0 million (including \$5.1 million related to common shares purchased by us) through a business combination with Health Sciences Acquisition Corporation, a special purpose acquisition company.

During the years ended March 31, 2021 and 2020, Immunovant issued shares of common stock for an aggregate net proceeds of \$384.9 million (including an aggregate of \$27.5 million of shares of common stock purchased by us) in private financings, underwritten public offerings, and warrant exercises.

In October 2022, Immunovant completed an underwritten public offering of 12,500,000 shares of its common stock (including 416,667 shares of common stock purchased by us) at a price to the public of \$6.00 per share, for net proceeds to Immunovant of approximately \$70.2 million after deducting underwriting discounts and commissions and offering expenses.

Proteovant

In December 2020, following Proteovant Sciences, Inc.'s ("Proteovant") acquisition of Oncopia in November 2020, SK, Inc. (formerly known as SK Holdings Co., Ltd.) ("SK") entered into a subscription agreement (the "Subscription Agreement") pursuant to which SK agreed to make a \$200.0 million equity investment in Proteovant, representing an ownership interest of 40.0% on the closing date. In January 2021, in accordance with the terms of the Subscription Agreement, SK made the first payment of \$100.0 million to Proteovant. In July 2021, Proteovant collected the subscription receivable relating to the second \$100.0 million payment due under the SK Subscription Agreement.

Consolidated Vant Debt Financings

Since inception, we have completed multiple Vant debt financings, including the following:

Dermavant

In May 2019, Dermavant entered into a loan and security agreement (the "Hercules Loan Agreement") with Hercules, pursuant to which Dermavant borrowed an aggregate of \$20.0 million. In May 2021, all amounts outstanding under the Hercules Loan Agreement were repaid using the proceeds from the \$40.0 million senior secured credit facility entered into by Dermavant with XYQ Luxco S.A.R.L ("XYQ Luxco"), as lender, and U.S. Bank National Association, as collateral agent, in May 2021, and Dermavant terminated the Hercules Loan Agreement.

Following the approval of VTAMA by the FDA in May 2022, Dermavant received \$160.0 million in June 2022 pursuant to the terms of the RIPSAs entered with XYQ Luxco, NovaQuest Co-Investment Fund XVII, L.P., an affiliate of NovaQuest Capital Management, LLC, and MAM Tapir Lender, LLC, an affiliate of Marathon Asset Management, L.P., together with U.S. Bank National Association, as collateral agent. Under the terms of the RIPSAs, Dermavant is obligated to pay royalties based on a capped single-digit revenue interest in net sales of tapinarof for all dermatological indications in the United States, up to a cap of \$344.0 million, in exchange for the \$160.0 million in committed funding to be paid to Dermavant, conditioned on the approval of tapinarof by the FDA, which was achieved in May 2022. Dermavant used the RIPSAs proceeds primarily for the milestone obligations to GSK, which was achieved upon FDA approval, and Welicem Biotech Inc., which was achieved upon the first sale of VTAMA.

Other

Datavant

In July 2021, we received approximately \$320 million in cash as a result of the Datavant Merger.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we advance the discovery efforts, preclinical activities, clinical trials and potential commercialization of our product candidates. Additionally, we expect to incur significant commercialization expenses with respect to VTAMA. Our operating results, including our net losses, may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our planned clinical trials, our expenditures on other research and development activities and our commercialization efforts. We anticipate that our expenses will increase substantially as we:

- fund preclinical studies and clinical trials for our product candidates, which we are pursuing or may choose to pursue in the future;
- fund the manufacturing of drug substance and drug product of our product candidates in development;
- seek to identify, acquire, develop and commercialize additional product candidates;
- invest in activities related to the discovery of novel drugs and advancement of our internal programs;
- integrate acquired technologies into a comprehensive regulatory and product development strategy;
- maintain, expand and protect our intellectual property portfolio;
- hire scientific, clinical, quality control and administrative personnel;
- add operational, financial and management information systems and personnel, including personnel to support our drug development efforts;
- achieve milestones under our agreements with third parties that will require us to make substantial payments to those parties;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;

- build out our sales, marketing and distribution infrastructure and scale up external manufacturing capabilities to commercialize VTAMA and any drug candidates for which we may obtain regulatory approval; and
- operate as a public company.

We expect to continue to finance our cash needs through a combination of our cash on hand and future equity offerings, debt financings, sales of subsidiaries, and proceeds received from collaborations, strategic alliances or marketing, distribution, licensing or similar arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common shareholder. Any agreements for future debt or preferred equity financings, if available, may involve covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the United States and worldwide.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution, licensing or similar arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. Adequate additional funding may not be available to us on acceptable terms, or at all. If we are unable to raise capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of our product candidates, grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves or potentially discontinue operations.

Cash Flows

The following table sets forth a summary of our cash flows for the years ended March 31, 2023 and 2022:

	Years Ended March 31,	
	2023	2022
	<i>(in thousands)</i>	
Net cash used in operating activities	\$ (843,393)	\$ (677,729)
Net cash (used in) provided by investing activities	\$ (44,269)	\$ 303,295
Net cash provided by financing activities	\$ 499,462	\$ 306,792

Operating Activities

Cash flow from operating activities represents the cash receipts and disbursements related to all of our activities other than investing and financing activities. Cash flow from operating activities is derived from adjusting our net loss for non-cash items and changes in working capital.

For the year ended March 31, 2023, cash used in operating activities increased by \$165.7 million to \$843.4 million compared to the year ended March 31, 2022. This increase was primarily driven by an increase in cash required to fund operations, particularly as a result of the progression of clinical programs, and to support the commercial launch of VTAMA.

Investing Activities

Cash flow from investing activities includes cash used for milestone payments; purchase of property and equipment; and proceeds from sale of investment and other equity securities.

For the year ended March 31, 2023, cash flow from investing activities changed by \$347.6 million to net cash used in investing activities of \$44.3 million from net cash provided by investing activities of \$303.3 million for the year ended March 31, 2022. This change in cash flow from investing activities is primarily related to \$320 million in cash we received as a result of the Datavant Merger during the year ended March 31, 2022. During the year ended March 31, 2023, cash used in investing activities was primarily driven by milestone payments made relating to VTAMA, which were partially offset by proceeds from the sale of the Myovant Top-Up Shares.

Financing Activities

For the year ended March 31, 2023, cash provided by financing activities increased by \$192.7 million to \$499.5 million compared to the year ended March 31, 2022. During the year ended March 31, 2023, proceeds were generated by funding pursuant to the terms of the RIPSAs following the approval of VTAMA by the FDA in May 2022 as well as net proceeds from the issuance of our common shares and common shares of our majority-owned subsidiary Immunovant. During the year ended March 31, 2022, proceeds were generated by the completion of our Business Combination and PIPE financing in September 2021, payment of the subscription receivable due to Proteovant by SK in July 2021, and the senior secured credit facility entered into by Dermavant and certain of its subsidiaries with XYQ Luxco, as lender, and U.S. Bank National Association, as collateral agent, partially offset by cash used to repay all amounts outstanding under a previously existing loan and security agreement with Hercules Capital, Inc.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingencies as of the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. In accordance with U.S. GAAP, we evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts, or experience. Changes in estimates and assumptions are reflected in reported results in the period in which they become known.

We define our critical accounting policies as those under U.S. GAAP that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations, as well as the specific manner in which we apply those principles.

While our significant accounting policies are described in more detail in Note 2, "Summary of Significant Accounting Policies" in our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

Product Revenue Reserves

We recognize revenue when the customer obtains control of the product, which occurs at a point in time, either upon shipment or delivery to the customer. Revenues from product sales are recorded at the net sales price, which includes estimates of variable consideration for which reserves are established that result from (a) invoice discounts for prompt payment and specialty distributor and specialty pharmacy service fees, (b) government and private payer rebates, chargebacks, discounts and fees, (c) performance rebates and administrative fees, (d) product returns and (e) costs of co-pay assistance programs for patients. We establish reserves based on these gross-to-net adjustments, which are based on amounts earned or to be claimed on the related sale and are classified as reductions of accounts receivable (if the amount is payable to the customer) or accrued expenses and other current liabilities (if the amount is payable to a party other than a customer). Where appropriate, we utilize the expected value method to determine the appropriate amount for estimates of variable consideration. The estimates of reserves established for variable consideration reflect current contractual and statutory requirements, our historical experience, specific known market events and trends, industry data and forecasted customer buying and payment patterns. The amount of variable consideration that is included in the transaction price may be constrained and is included in net product revenues only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. Actual amounts of consideration ultimately received may differ from our estimates. If actual results vary from our estimates, we adjust these estimates in the period such change in estimate becomes known, which could affect net product revenue and earnings in the period of the adjustment.

We make significant estimates and judgments that materially affect our recognition of net product revenue. Claims by third-party payors for rebates, chargebacks and discounts may be submitted to us significantly after the related sales, potentially resulting in adjustments in the period in which the new information becomes known. We will adjust our estimates based on new information, including information regarding actual rebates, chargebacks and discounts for our products, as it becomes available.

The following table provides a summary of activity with respect to our sales allowances and accruals (in thousands):

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Sales return, rebate, and discounts balances, beginning of year	\$ —	\$ —
Reduction of gross sales	(129,717)	—
Cash payments	108,923	—
Sales return, rebate, and discounts balances, end of year	<u>\$ (20,794)</u>	<u>\$ —</u>

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with the discovery and development of our product candidates. We expense research and development costs as incurred.

We accrue expense for preclinical studies and clinical trial activities performed by vendors based upon estimates of the proportion of work completed. We determine such estimates by reviewing contracts, vendor agreements and purchase orders, and through discussions with our internal personnel and external service providers as to the progress or stage of completion and the agreed-upon fee to be paid for such services. However, actual costs and timing of preclinical studies and clinical trials are highly uncertain, subject to risks, and may change depending upon a number of factors, including our clinical development plan.

We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances known at that time. If the actual timing of the performance of services or the level of effort varies from the estimate, the accrual is adjusted accordingly. Nonrefundable advance payments for goods and services are deferred and recognized as expense in the period that the related goods are consumed or services are performed.

Share-Based Compensation

We recognize compensation costs related to share-based awards granted to employees, directors, and consultants based on the estimated fair value of the awards on the date of grant. The grant date fair value of the stock-based awards is recognized over the requisite service period, which is generally the vesting period of the respective awards. We may grant awards with graded-vesting features. When such awards have only service vesting requirements, we elected to record share-based compensation expense on a straight-line basis. If awards with graded-vesting features contain performance or market conditions, then we record share-based compensation expense using the accelerated attribution method.

We estimate the fair value of stock options using the Black-Scholes option-pricing model, which requires assumptions, including the fair value of our common shares prior to our initial public offering, volatility, the expected term of our stock options, the risk-free interest rate for a period that approximates the expected term of our stock options, and our expected dividend yield. Certain assumptions used in our Black-Scholes option-pricing model represent management's best estimates and involve a number of variables, uncertainties and assumptions and the application of management's judgment, as they are inherently subjective. If any assumptions change, our stock-based compensation expense could be materially different in the future.

These subjective assumptions are estimated as follows:

Fair value of common share—Prior to the closing of the Business Combination, as a privately held company, we estimated the fair value of the shares of common stock underlying our share-based awards on each grant date. To determine the fair value of our common shares underlying option grants, we considered, among other things, valuations of our common share prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. The estimation of the fair value of the common shares considered factors including the following:

- the prices of our common shares sold to investors in arm's length transactions;
- the estimated present value of our future cash flows;
- our business, financial condition and results of operations;
- our forecasted operating performance;
- the illiquid nature of our common shares;
- industry information such as market size and growth;
- market capitalization of comparable companies and the estimated value of transactions such companies have engaged in; and
- macroeconomic conditions.

We apply a similar methodology to estimate the fair value of the shares of common stock underlying share-based awards issued by our privately held Vants. Following the closing of the Company's business combination with MAAC, our common shares became publicly traded and we began determining the fair value of each common share underlying share-based awards based on the closing price of our common shares as reported by Nasdaq on the date of grant. Therefore, it will not be necessary to determine the fair value of the new stock-based award pursuant to the methodology described above.

Expected term—We have generally elected to use the “simplified method” for estimating the expected term of options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option (generally 10 years).

Expected volatility—Prior to the closing of the Business Combination, we were a privately held company and did not have any trading history for our common shares; accordingly, the expected volatility was estimated based on the average volatility for comparable publicly traded biotechnology companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the life cycle or area of specialty. We apply similar methodology to estimate the expected volatility at our privately held Vants. Because we do not have an extended trading history for our shares of common stock since the closing of the Business Combination, the method used to estimate the expected volatility remained unchanged.

Risk-free interest rate—The risk-free rate assumption is based on the U.S. Treasury instruments with maturities similar to the expected term of our stock options at the time of the grant.

Expected dividend yield—We have not issued any dividends in our history and do not expect to issue dividends over the life of the options; therefore, we have estimated the dividend yield to be zero.

Recently Adopted Accounting Pronouncements

We did not adopt any material accounting pronouncements during the year ended March 31, 2023.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an “emerging growth company” within the meaning of the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company, we may take advantage of certain exemptions from various public company reporting requirements, including the requirement that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act, certain requirements related to the disclosure of executive compensation in this Annual Report on Form 10-K and in our periodic reports and proxy statements, and the requirement that we hold a nonbinding advisory vote on executive compensation and any golden parachute payments. We have also taken advantage of the ability to provide reduced disclosure of financial information in this Annual Report on Form 10-K, such as being permitted to include only two years of audited financial information and two years of selected financial information in addition to any required unaudited interim financial statements, with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure. We may take advantage of these exemptions until we are no longer an emerging growth company. Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to avail ourselves of this extended transition period, and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies. However, because we have taken advantage of certain reduced reporting requirements, the information contained herein may be different from the information you receive from other public companies in which you hold shares.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the first sale of Roivant common shares pursuant to an effective registration statement or (b) in which we have total annual gross revenue of at least \$1.235 billion (as adjusted for inflation pursuant to SEC rules from time to time), and (2) the date on which (x) we are deemed to be a large accelerated filer, which means the market value of Roivant common shares that are held by non-affiliates exceeds \$700 million as of the prior September 30th, or (y) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the prior three-year period.

Additionally, we are a “smaller reporting company” as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We may continue to be a smaller reporting company as long as either (i) the market value of our common shares held by non-affiliates is less than \$250 million as of the end of that year’s second fiscal quarter, or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our common shares held by non-affiliates is less than \$700 million as of the end of that year’s second fiscal quarter. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies more difficult.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Under SEC rules and regulations, because we are considered to be a “smaller reporting company,” we are not required to provide the information required by this item in this report.

159

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Roivant Sciences Ltd.

Index to Consolidated Financial Statements

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID No. 42)	161
Consolidated Financial Statements	
Consolidated Balance Sheets as of March 31, 2023 and 2022	162
Consolidated Statements of Operations for the Years Ended March 31, 2023 and 2022	163
Consolidated Statements of Comprehensive Loss for the Years Ended March 31, 2023 and 2022	164
Consolidated Statements of Shareholders’ Equity and Redeemable Noncontrolling Interest for the Years Ended March 31, 2023 and 2022	165
Consolidated Statements of Cash Flows for the Years Ended March 31, 2023 and 2022	166
Notes to Consolidated Financial Statements	167

160

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Roivant Sciences Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Roivant Sciences Ltd. (the Company) as of March 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, shareholders' equity and redeemable noncontrolling interest and cash flows for each of the two years in the period ended March 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended March 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Iselin, New Jersey
June 28, 2023

ROIVANT SCIENCES LTD.
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,676,813	\$ 2,060,400
Other current assets	121,774	86,123
Total current assets	1,798,587	2,146,523
Property and equipment, net	39,086	25,905
Operating lease right-of-use assets	53,251	61,044
Investments measured at fair value	304,317	325,834
Intangible assets, net	144,881	—
Other assets	49,482	25,823
Total assets	<u>\$ 2,389,604</u>	<u>\$ 2,585,129</u>
Liabilities, Redeemable Noncontrolling Interest and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 37,830	\$ 34,583
Accrued expenses	167,129	127,531
Operating lease liabilities	11,693	11,398
Current portion of long-term debt (includes \$26,940 accounted for under the fair value option at March 31, 2023)	40,720	—
Other current liabilities	15,076	10,855
Total current liabilities	272,448	184,367
Liability instruments measured at fair value	63,546	44,912
Operating lease liabilities, noncurrent	53,476	62,468
Long-term debt, net of current portion (includes \$180,700 and \$177,400 accounted for under the fair value option at March 31, 2023 and 2022, respectively)	375,515	210,025
Other liabilities	17,032	21,923
Total liabilities	<u>782,017</u>	<u>523,695</u>
Commitments and contingencies (Note 16)		
Redeemable noncontrolling interest	—	22,491
Shareholders' equity:		
Common shares, par value \$0.0000000341740141 per share, 7,000,000,000 shares authorized and 760,143,393 and 694,975,965 shares issued and outstanding at March 31, 2023 and 2022, respectively	—	—
Additional paid-in capital	4,933,137	4,421,614
Accumulated deficit	(3,772,754)	(2,763,724)
Accumulated other comprehensive loss	(2,617)	(946)
Shareholders' equity attributable to Roivant Sciences Ltd.	1,157,766	1,656,944
Noncontrolling interests	449,821	381,999
Total shareholders' equity	<u>1,607,587</u>	<u>2,038,943</u>
Total liabilities, redeemable noncontrolling interest and shareholders' equity	<u>\$ 2,389,604</u>	<u>\$ 2,585,129</u>

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

ROIVANT SCIENCES LTD.
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	Years Ended March 31,	
	2023	2022
Revenues:		
Product revenue, net	\$ 28,011	\$ —
License, milestone and other revenue	33,269	55,286
Revenue, net	<u>61,280</u>	<u>55,286</u>
Operating expenses:		
Cost of revenues	13,128	8,966
Research and development (includes \$30,914 and \$63,735 of share-based compensation expense for the years ended March 31, 2023 and 2022, respectively)	525,215	483,035
Acquired in-process research and development	97,749	139,894
Selling, general and administrative (includes \$186,603 and \$501,221 of share-based compensation expense for the years ended March 31, 2023 and 2022, respectively)	600,506	775,033
Total operating expenses	<u>1,236,598</u>	<u>1,406,928</u>
Loss from operations	<u>(1,175,318)</u>	<u>(1,351,642)</u>
Change in fair value of investments	20,815	87,291
Gain on sale of investment	—	(443,754)
Change in fair value of debt and liability instruments	78,001	(3,354)
Gain on termination of Sumitomo Options	—	(66,472)
Gain on deconsolidation of subsidiaries	(29,276)	(5,041)
Interest income	(32,184)	(369)
Interest expense	27,968	7,041
Other income, net	(15,808)	(3,237)
Loss from continuing operations before income taxes	(1,224,834)	(923,747)
Income tax expense	5,190	369
Loss from continuing operations, net of tax	(1,230,024)	(924,116)
Income from discontinued operations, net of tax	114,561	—
Net loss	<u>(1,115,463)</u>	<u>(924,116)</u>
Net loss attributable to noncontrolling interests	(106,433)	(78,854)
Net loss attributable to Roivant Sciences Ltd.	<u>\$ (1,009,030)</u>	<u>\$ (845,262)</u>
Amounts attributable to Roivant Sciences Ltd.:		
Loss from continuing operations, net of tax	\$ (1,123,591)	\$ (845,262)
Income from discontinued operations, net of tax	114,561	—
Net loss attributable to Roivant Sciences Ltd.	<u>\$ (1,009,030)</u>	<u>\$ (845,262)</u>
Basic and diluted net (loss) income per common share⁽¹⁾:		
Basic and diluted loss from continuing operations	\$ (1.58)	\$ (1.26)
Basic and diluted income from discontinued operations	\$ 0.16	\$ —
Basic and diluted net loss per common share	\$ (1.42)	\$ (1.26)
Basic and diluted weighted average shares outstanding⁽¹⁾:		
Basic	712,791,115	669,753,458
Diluted	712,791,115	669,753,458

(1) Retroactively restated for the stock subdivision as described in Note 8.

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

ROIVANT SCIENCES LTD.
Consolidated Statements of Comprehensive Loss
(in thousands)

	Years Ended March 31,	
	2023	2022
Net loss	\$ (1,115,463)	\$ (924,116)
Other comprehensive loss:		
Foreign currency translation adjustment	(1,490)	(2,271)
Total other comprehensive loss	(1,490)	(2,271)
Comprehensive loss	(1,116,953)	(926,387)
Comprehensive loss attributable to noncontrolling interests	(106,252)	(78,734)
Comprehensive loss attributable to Roivant Sciences Ltd.	\$ (1,010,701)	\$ (847,653)

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

ROIVANT SCIENCES LTD.
Consolidated Statements of Shareholders' Equity and Redeemable Noncontrolling Interest
(in thousands, except share data)

	Shareholders' Equity ⁽¹⁾								
	Redeemable Noncontrolling Interest	Common Stock		Additional Paid-in Capital	Subscription Receivable	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Noncontrolling Interests	Total Shareholders' Equity
		Shares	Amount						
Balance at March 31, 2021	\$ 22,491	651,576,293	\$ —	\$ 3,814,805	\$ (100,000)	\$ 1,445	\$(1,918,462)	\$ 241,726	\$ 2,039,514
Issuance of subsidiary warrants	—	—	—	2,051	—	—	—	24	2,075
Issuance of the Company's common shares upon closing of Business Combination and PIPE Financing, net of issuance costs	—	32,372,478	—	129,097	—	—	—	—	129,097
Issuance of the Company's common shares related to settlement of transaction consideration	—	840,398	—	—	—	—	—	—	—
Issuance of subsidiary preferred shares	—	—	—	—	—	—	—	70,000	70,000
Issuance of subsidiary common and preferred shares to the Company and cash contributions to majority-owned subsidiaries	—	—	—	(62,408)	—	—	—	62,408	—
Payment of subscription receivable	—	—	—	(40,000)	100,000	—	—	40,000	100,000
Repurchase of equity awards	—	—	—	—	—	—	—	(2,247)	(2,247)
Issuance of the Company's common shares	—	7,369,000	—	57,167	—	—	—	—	57,167
Issuance of common stock upon warrants exercise	—	60,021	—	778	—	—	—	—	778
Stock options exercised and restricted stock units vested and settled	—	2,757,775	—	412	—	—	—	—	412
Deconsolidation of subsidiary	—	—	—	—	—	—	—	3,578	3,578
Share-based compensation	—	—	—	519,712	—	—	—	45,244	564,956
Foreign currency translation adjustment	—	—	—	—	—	(2,391)	—	120	(2,271)
Net loss	—	—	—	—	—	—	(845,262)	(78,854)	(924,116)
Balance at March 31, 2022	<u>\$ 22,491</u>	<u>694,975,965</u>	<u>\$ —</u>	<u>\$ 4,421,614</u>	<u>\$ —</u>	<u>\$ (946)</u>	<u>\$(2,763,724)</u>	<u>\$ 381,999</u>	<u>\$ 2,038,943</u>
Issuance of the Company's common shares, net of issuance costs	—	50,666,665	—	311,683	—	—	—	—	311,683
Issuance of common shares in connection with equity incentive plans and tax withholding payments	—	10,903,648	—	(8,737)	—	—	—	—	(8,737)
Issuance of the Company's common shares related to settlement of transaction consideration	—	1,455,719	—	—	—	—	—	—	—
Issuance of the Company's common shares and other consideration for an acquisition	—	2,029,877	—	8,836	—	—	—	112	8,948
Issuance of subsidiary common shares to the Company and cash contributions to majority-owned subsidiaries	—	—	—	(5,463)	—	—	—	5,463	—
Issuance of subsidiary common shares, net of issuance costs	—	—	—	19,599	—	—	—	48,129	67,728
Subsidiary stock options exercised	—	—	—	392	—	—	—	278	670
Issuance of subsidiary preferred shares	—	—	—	—	—	—	—	87,500	87,500
Deconsolidation of subsidiaries	(22,491)	—	—	—	—	—	—	(292)	(292)
Issuance of common shares under employee stock purchase plan	—	111,519	—	316	—	—	—	—	316
Share-based compensation	—	—	—	184,897	—	—	—	32,884	217,781
Foreign currency translation adjustment	—	—	—	—	—	(1,671)	—	181	(1,490)
Net Loss	—	—	—	—	—	—	(1,009,030)	(106,433)	(1,115,463)
Balance at March 31, 2023	<u>\$ —</u>	<u>760,143,393</u>	<u>\$ —</u>	<u>\$ 4,933,137</u>	<u>\$ —</u>	<u>\$ (2,617)</u>	<u>\$(3,772,754)</u>	<u>\$ 449,821</u>	<u>\$ 1,607,587</u>

(1) Retroactively restated for the stock subdivision as described in Note 8.

ROIVANT SCIENCES LTD.
Consolidated Statements of Cash Flows
(in thousands)

	Years Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (1,115,463)	\$ (924,116)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash acquired in-process research and development	87,749	78,223
Share-based compensation	217,781	564,956
Change in fair value of investments	20,815	87,291
Gain on sale of investment	—	(443,754)
Change in fair value of debt and liability instruments	78,001	(3,354)
Gain on deconsolidation of subsidiaries	(29,276)	(5,041)
Gain on termination of Sumitomo Options	—	(61,472)
Gain on recovery of contingent consideration	(114,561)	—
Depreciation and amortization	18,857	5,932
Non-cash lease expense	7,565	7,270
Other	(21,206)	617
Changes in assets and liabilities, net of effects from acquisition and divestiture:		
Other current assets	(31,670)	(27,999)
Accounts payable	4,359	15,403
Accrued expenses	38,956	50,595
Deferred consideration liability	—	(50,000)
Operating lease liabilities	(8,604)	(6,865)
Other	3,304	34,585
Net cash used in operating activities	<u>(843,393)</u>	<u>(677,729)</u>
Cash flows from investing activities:		
Cash decrease upon deconsolidation of subsidiaries	(6,706)	(39)
Proceeds from sale of investment	—	320,170
Proceeds from sale of Myovant Top-Up Shares	114,561	—
Milestone payments	(140,136)	—
Purchase of property and equipment	(12,690)	(17,436)
Other	702	600
Net cash (used in) provided by investing activities	<u>(44,269)</u>	<u>303,295</u>
Cash flows from financing activities:		
Proceeds from issuance of the Company's common shares, net of issuance costs paid	311,981	—
Proceeds from Business Combination and PIPE Financing	—	213,424
Proceeds from issuance of subsidiary common shares, net of issuance costs paid	67,727	—
Proceeds from payment of subscription receivable	—	100,000
Proceeds from subsidiary debt financings, net of financing costs paid	159,899	36,400
Repayment of debt by subsidiary	(29,452)	(21,590)
Payment of offering costs and loan origination costs	(2,250)	(20,297)
Taxes paid related to net settlement of equity awards	(10,881)	—
Proceeds from exercise of the Company's and subsidiary stock options	2,814	412
Payments on principal portion of finance lease obligations	(692)	—
Proceeds from common stock issuances under employee stock purchase plan	316	—
Other	—	(1,557)
Net cash provided by financing activities	<u>499,462</u>	<u>306,792</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	6,281	—
Net change in cash, cash equivalents and restricted cash	<u>(381,919)</u>	<u>(67,642)</u>
Cash, cash equivalents and restricted cash at beginning of period	2,074,034	2,141,676
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,692,115</u>	<u>\$ 2,074,034</u>
Non-cash investing and financing activities:		
Issuance of the Company's common shares and other consideration for an acquisition	\$ 9,694	\$ —
Other	\$ 10,860	\$ 6,035
Supplemental disclosure of cash paid:		
Income taxes paid	\$ 5,128	\$ 916
Interest paid	\$ 5,303	\$ 5,535

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

ROIVANT SCIENCES LTD.**Notes to Consolidated Financial Statements****Note 1—Description of Business and Liquidity****(A) Description of Business**

Roivant Sciences Ltd. (inclusive of its consolidated subsidiaries, the “Company” or “RSL”) aims to improve health by rapidly delivering innovative medicines and technologies to patients. The Company does this by building biotech and healthcare technology companies (“Vants”) and deploying technology to drive greater efficiency in research and development and commercialization. In addition to biopharmaceutical subsidiaries, the Company also builds technology Vants focused on improving the process of developing and commercializing medicines. The Company was founded on April 7, 2014 as a Bermuda exempted limited company.

VTAMA® (tapinarof) was approved by the United States Food and Drug Administration (“FDA”) in May 2022 for the treatment of plaque psoriasis in adult patients.

The Company has determined that it has one operating and reporting segment as it allocates resources and assesses financial performance on a consolidated basis. The Company’s subsidiaries are wholly owned subsidiaries and majority-owned or controlled subsidiaries. Refer to Note 4, “Investments” for further discussion of the Company’s investments in unconsolidated entities.

(B) Liquidity

The Company has incurred significant losses and negative cash flows from operations since its inception. As of March 31, 2023, the Company had cash and cash equivalents of approximately \$1.7 billion and its accumulated deficit was approximately \$3.8 billion. For the years ended March 31, 2023 and 2022, the Company incurred losses from continuing operations of approximately \$1.2 billion and \$924.1 million, respectively. The Company has historically financed its operations primarily through the sale of equity securities, sale of subsidiary interests, debt financings and revenue generated from licensing and collaboration arrangements. Through its subsidiary, Dermavant Sciences Ltd., the Company has launched its first commercial product, VTAMA, following approval by the FDA in May 2022.

The Company is subject to risks common to companies in the biopharmaceutical industry including, but not limited to, uncertainties related to commercialization of products, regulatory approvals to market its product candidates, dependence on key products, dependence on third-party service providers, such as contract research organizations, and protection of intellectual property rights. Management expects to incur additional losses in the future to fund its operations and conduct product research and development and recognizes the need to raise additional capital to fully implement its business plan.

The Company intends to raise such additional capital through the issuance of equity securities, debt financings or other sources in order to further implement its business plan. However, if such financing is not available at adequate levels, the Company will need to reevaluate its operating plan and may be required to delay or discontinue the development of its product candidates or take other steps to conserve capital. The Company expects its existing cash and cash equivalents will be sufficient to fund its committed operating expenses and capital expenditure requirements for at least the next 12 months from the date of issuance of these consolidated financial statements.

Note 2—Summary of Significant Accounting Policies**(A) Basis of Presentation and Principles of Consolidation**

The Company’s fiscal year ends on March 31, and its fiscal quarters end on June 30, September 30, and December 31.

The accompanying audited consolidated financial statements and notes thereto have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”).

Any references in these notes to applicable accounting guidance are meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”). The consolidated financial statements include the accounts of RSL and the subsidiaries in which it has a controlling financial interest, most often through a majority voting interest. Certain prior year amounts have been reclassified to conform with the current period presentation. These reclassifications had no effect on the previously reported results of operations. All intercompany balances and transactions have been eliminated in consolidation.

For consolidated entities where the Company owns or is exposed to less than 100% of the economics, the Company records net loss attributable to noncontrolling interests in its consolidated statements of operations equal to the percentage of common stock ownership interest retained in the respective operations by the noncontrolling parties. The Company presents noncontrolling interests as a component of shareholders’ equity on its consolidated balance sheets.

The Company accounts for changes in its ownership interest in its subsidiaries while control is retained as equity transactions. The carrying amount of the noncontrolling interest is adjusted to reflect the change in RSL's ownership interest in the subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is recognized within shareholders' equity attributable to RSL.

(B) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company regularly evaluates estimates and assumptions related to assets, liabilities, costs, expenses, contingent liabilities, share-based compensation and research and development costs. The Company bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

(C) Concentrations

Financial instruments that potentially subject the Company to concentration of credit risk include cash and cash equivalents. The Company maintains cash deposits and cash equivalents in highly-rated, federally-insured financial institutions in excess of federally insured limits. The Company has established guidelines relative to diversification and maturities to maintain safety and liquidity. The Company has not experienced any credit losses related to these financial instruments and does not believe that it is exposed to any significant credit risk related to these instruments.

The Company has long-lived assets in different geographic locations. As of March 31, 2023 and 2022, a majority of the Company's long-lived assets were located in the United States.

(D) Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include cash deposits in banks and all highly liquid investments that are readily convertible to cash. The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Cash as reported in the accompanying consolidated statements of cash flows includes the aggregate amounts of cash, cash equivalents, and restricted cash as presented on the accompanying consolidated balance sheets as follows (in thousands):

	March 31, 2023	March 31, 2022
Cash and cash equivalents	\$ 1,676,813	\$ 2,060,400
Restricted cash (included in "Other current assets")	5,011	3,903
Restricted cash (included in "Other assets")	10,291	9,731
Cash, cash equivalents and restricted cash	<u>\$ 1,692,115</u>	<u>\$ 2,074,034</u>

(E) Contingencies

The Company may be, from time to time, a party to various disputes and claims arising from normal business activities. The Company continually assesses any litigation or other claims it may confront to determine if an unfavorable outcome would lead to a probable loss or reasonably possible loss which could be estimated. The Company accrues for all contingencies at the earliest date at which the Company deems it probable that a liability has been incurred and the amount of such liability can be reasonably estimated. If the estimate of a probable loss is a range and no amount within the range is more likely than another, the Company accrues the minimum of the range. In the cases where the Company believes that a reasonably possible loss exists, the Company discloses the facts and circumstances of the litigation, including an estimable range, if possible.

(F) Inventory

Inventories are recorded at the lower-of-cost or net realizable value, with cost determined based on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of the Company's business, less reasonably predictable costs of completion, disposal, and transportation. The cost basis of the Company's inventories is reduced for any products that are considered excessive or obsolete based upon assumptions about future demand and market conditions. Inventories include the cost for raw materials, the cost to manufacture the raw materials into finished goods, freight charges, and overhead.

The Company performs an assessment of the recoverability of inventories during each reporting period and writes down any excess and obsolete inventories to their net realizable value in the period in which the impairment is first identified. If they occur, such impairment charges are recorded as a component of cost of revenues in the consolidated statements of operations.

Prior to initial regulatory approval, the Company expenses costs relating to the production of inventory as research and development expenses when incurred. After such time as the product receives initial regulatory approval, the Company capitalizes inventory costs related to the product.

Inventory is included in “Other current assets” and “Other assets” on the accompanying consolidated balance sheets.

(G) Property and Equipment

Property and equipment, consisting primarily of computers, laboratory and other equipment, furniture and fixtures, software, and leasehold improvements, is recorded at cost, less accumulated depreciation. Maintenance and repairs that do not improve or extend the lives of the respective assets are expensed to operations as incurred. Upon disposal, retirement or sale, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in the results of operations. Depreciation of property and equipment is recorded using the straight-line method over the estimated useful lives of the related assets once the asset has been placed in service. Leasehold improvements are amortized using the straight-line method over the estimated useful life or remaining lease term, whichever is shorter. The following table provides the range of estimated useful lives used for each asset type:

Property and Equipment	Estimated Useful Life
Computers	3 years
Laboratory and other equipment	5 - 10 years
Furniture and fixtures	7 years
Software	3 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term

The Company reviews the recoverability of all long-lived assets, including the related useful lives, whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset might not be recoverable. Recoverability is measured by comparison of the book values of the assets to the future net undiscounted cash flows that the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the book value of the assets exceed their fair value, which is measured based on the projected discounted future net cash flows arising from the assets.

(H) Investments

Investments in equity securities may be accounted for using (i) the fair value option if elected, (ii) fair value through earnings if fair value is readily determinable or (iii) for equity investments without readily determinable fair values, the measurement alternative to measure at cost adjusted for any impairment and observable price changes, as applicable. The election to use the measurement alternative is made for each eligible investment.

The Company has elected the fair value option to account for certain investments over which the Company has significant influence. The Company believes the fair value option best reflects the underlying economics of the investment. See Note 4, “Investments.”

(I) Intangible Assets, Net

Finite-lived intangible assets are recorded at cost, net of accumulated amortization, and, if applicable, impairment charges. Amortization of finite-lived intangible assets is recorded over the assets’ estimated useful lives on a straight-line basis or based on the pattern in which economic benefits are consumed, if reliably determinable. The Company reviews its finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. See Note 5, “Intangible Assets.”

(J) Fair Value Measurements

The Company utilizes fair value measurement guidance prescribed by accounting standards to value its financial instruments. The guidance establishes a fair value hierarchy for financial instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. Fair value is defined as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a three-tier fair value hierarchy that distinguishes among the following:

- Level 1-Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2-Valuations are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and models for which all significant inputs are observable, either directly or indirectly.
- Level 3-Valuations are based on inputs that are unobservable (supported by little or no market activity) and significant to the overall fair value measurement.

To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company's financial instruments include shares of common stock of Arbutus Biopharma Corporation ("Arbutus"); shares of common stock of Heracles Parent, L.L.C., the parent entity of Datavant (as defined and discussed in Note 4, "Investments"); liability instruments issued, including the Roivant Warrants and Earn-Out Shares (each as defined in Note 8, "Business Combination with MAAC") liabilities issued in connection with the Company's business combination with MAAC (as discussed in Note 8, "Business Combination with MAAC"); its investments in other entities; cash and cash equivalents consisting of money market funds; accounts payable; and long-term debt.

The shares of Arbutus common stock and investments in common stock with a readily determinable fair value are classified as Level 1, and their fair value is determined based upon quoted market prices in an active market. The shares of common stock of Heracles Parent, L.L.C., the parent entity of Datavant (as defined and discussed in Note 4, "Investments"), and liability instruments issued, excluding the Public Warrants (as defined and discussed in Note 8, "Business Combination with MAAC"), are classified as Level 3 within the fair value hierarchy as the assumptions and estimates used in the valuations are unobservable in the market. The Public Warrants are publicly traded and therefore are classified as Level 1 as the Public Warrants have a readily determinable fair value. Cash and accounts payable are stated at their respective historical carrying amounts, which approximate fair value due to their short-term nature. Money market funds are included in Level 1 of the fair value hierarchy and are valued at the closing price reported by an actively traded exchange. The carrying value of long-term debt issued by Dermavant Sciences Ltd. (together with its wholly owned subsidiaries, "Dermavant"), which is stated at amortized cost, approximates fair value based on current interest rates for similar types of borrowings and therefore is included in Level 2 of the fair value hierarchy. Long-term debt issued by Dermavant for which the fair value option has been elected is included in Level 3 of the fair value hierarchy as the assumptions and estimates used in the valuation are unobservable in the market.

(K) Research and Development Expenses

Research and development ("R&D") costs are expensed as incurred. Preclinical and clinical study costs are accrued over the service periods specified in the contracts and adjusted as necessary based upon an ongoing review of the level of effort and costs actually incurred. R&D costs primarily consist of costs associated with preclinical studies and clinical trials, including amounts paid to contract research organizations, contract manufacturing organizations, and other third parties that conduct R&D activities on behalf of the Company, as well as employee-related expenses, such as salaries, share-based compensation, and benefits, for employees engaged in R&D activities.

(L) Acquired In-Process Research and Development Expenses

Acquired in-process research and development (“IPR&D”) expenses include consideration for the purchase of IPR&D through asset acquisitions and license agreements as well as payments made in connection with asset acquisitions and license agreements upon the achievement of development milestones.

The Company evaluates in-licensed agreements for IPR&D projects to determine if it meets the definition of a business and thus should be accounted for as a business combination. If the in-licensed agreement for IPR&D does not meet the definition of a business and the assets have not reached technological feasibility and therefore have no alternative future use, the Company expenses payments made under such license agreements as acquired in-process research and development expense in its consolidated statements of operations. Payments for milestones achieved and payments for a product license prior to regulatory approval of the product are expensed in the period incurred. Payments made in connection with regulatory and sales-based milestones are capitalized and amortized to cost of revenue.

(M) Selling, General and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses consist primarily of employee-related expenses, such as salaries, share-based compensation, sales incentive compensation, and benefits, for employees engaged in SG&A activities. SG&A employees include those responsible for the identification and acquisition or in-license of new drug candidates as well as for managing Vant operations and facilitating the use of our platform and technologies at the Vants. SG&A expenses also consist of marketing programs, advertising, legal and accounting fees, consulting services, and other operating costs relating to corporate matters and daily operations. Additionally, SG&A expenses include costs incurred relating to the identification, acquisition or in-license and technology transfer of promising drug candidates along with costs incurred relating to the integration of new technologies.

(N) Leases

The Company determines if an arrangement includes a lease at the inception of the agreement. Leases are classified at lease commencement as either operating leases or finance leases. Operating leases are included in “Operating lease right-of-use assets”, “Operating lease liabilities”, and “Operating lease liabilities, noncurrent” on the accompanying consolidated balance sheets. Finance leases are included in “Property and equipment, net”, “Other current liabilities”, and “Other liabilities” on the accompanying consolidated balance sheets. For each of the Company’s lease arrangements, the Company records a right-of-use asset representing the Company’s right to use an underlying asset for the lease term and a lease liability representing the Company’s obligation to make lease payments. Lease right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the expected lease term. If the interest rate implicit in the Company’s leases is not readily determinable, in determining the weighted-average discount rate used to calculate the net present value of lease payments, the Company utilizes an estimate of its incremental borrowing rate. The Company’s incremental borrowing rates are determined based on the term of the lease, the economic environment of the lease, and the effect of collateralization. Lease expense for the Company’s leases is recognized on a straight-line basis over the lease term and variable lease costs are expensed as incurred.

The Company elected the practical expedient not to apply the recognition and measurement requirements to short-term leases, which is any lease with a term of one year or less as of the lease commencement date. Leases may require the Company to pay additional amounts for taxes, insurance, maintenance, and other expenses, which are generally referred to as non-lease components. The Company has elected the practical expedient to combine lease and non-lease components. If a lease includes options to extend the lease term, the Company does not assume the option will be exercised in its initial lease term assessment unless there is reasonable certainty that the Company will renew based on an assessment of economic factors present as of the lease commencement date.

(O) Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded when, after consideration of all positive and negative evidence, it is not more likely than not that the Company’s deferred tax assets will be realizable. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

(P) Share-Based Compensation

Share-based awards to employees, directors, and consultants, including stock options, restricted stock units, performance options and capped value appreciation rights, are measured at fair value on the date of the grant and that fair value is recognized as share-based compensation expense in the Company's consolidated statements of operations over the requisite service period of the respective award. The estimated fair value of awards that contain performance conditions is expensed when the Company concludes that it is probable that the performance condition will be achieved. The Company may grant awards with graded-vesting features. When such awards have only service vesting requirements, the Company elected to record share-based compensation expense on a straight-line basis. If awards with graded-vesting features contain performance or market conditions, then the Company records share-based compensation expense using the accelerated attribution method.

The Company measures the fair value of its stock options that only have service vesting requirements or performance-based options without market conditions using the Black-Scholes option pricing model. For performance-based awards with market conditions, the Company determines the fair value of the awards as of the grant date using a Monte Carlo simulation model. When determining the grant-date fair value of stock-based awards, management further considers whether an adjustment is required to the observable market price or volatility of the Company's common stock that is used in the valuation as a result of material non-public information, if that information is expected to result in a material increase in share price.

Certain assumptions need to be made with respect to utilizing the Black-Scholes option pricing model, including the expected life of the award, volatility of the underlying shares, the risk-free interest rate and the fair value of the Company's shares of common stock. Since the Company has limited option exercise history, it has generally elected to estimate the expected life of an award based upon the "simplified method" with the continued use of this method extended until such time the Company has sufficient exercise history. The risk-free interest rate is based on the rates paid on securities issued by the U.S. Treasury with a term approximating the expected life of the equity award. The expected share price volatility for the Company's common shares is estimated by taking the average historical price volatility for industry peers. The Company accounts for pre-vesting award forfeitures when they occur.

One of the inputs to the Black-Scholes option pricing model is the fair value of the Company's common shares. Prior to the closing of its business combination with MAAC, as a privately held company, the Company estimated the fair value of the shares of common stock underlying its share-based awards on each grant date. Given the absence of a public trading market, and in accordance with the American Institute of Certified Public Accountants' Practice Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, the Company exercised reasonable judgment and considered numerous objective and subjective factors to determine its best estimate of the fair value of its common shares. The estimation of the fair value of the common shares considered factors including the following: the prices of the Company's common shares sold to investors in arm's length transactions; the estimated present value of the Company's future cash flows; the Company's business, financial condition and results of operations; the Company's forecasted operating performance; the illiquid nature of the Company's common shares; industry information such as market size and growth; market capitalization of comparable companies and the estimated value of transactions such companies have engaged in; and macroeconomic conditions.

The Company applies a similar methodology to estimate the fair value of the shares of common stock underlying share-based awards issued by its privately held Vants. Following the closing of the Company's business combination with MAAC, RSL's common shares became publicly traded and the Company began determining the fair value of each common share underlying share-based awards based on the closing price of its common shares as reported by Nasdaq on the date of grant. Therefore, it will not be necessary to determine the fair value of the new stock-based award pursuant to the methodology described above.

(Q) Foreign Currency

Assets and liabilities of foreign operations are translated using exchange rates in effect at the balance sheet date and their results of operations are translated using average exchange rates for the year. Certain transactions of the Company and its subsidiaries are denominated in currencies other than their functional currency. Adjustments resulting from the translation of the financial statements of the Company's foreign functional currency subsidiaries into U.S. dollars are excluded from the determination of net loss and are accumulated in a separate component of shareholders' equity. Foreign exchange transaction gains and losses are included in "Other income, net" in the Company's statements of operations.

(R) Revenue Recognition

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for its arrangements, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when or as the Company satisfies a performance obligation.

Product Revenue, Net

The Company began recognizing product revenues after the initial product launch of VTAMA following approval by the FDA in May 2022.

The Company sells VTAMA in the U.S. principally through wholesale, specialty distribution and pharmacy channels (collectively, “customers”). These customers subsequently resell the product to healthcare providers and patients. In addition to distribution agreements with customers, the Company enters into arrangements with healthcare providers and payers that provide for government-mandated and/or privately-negotiated rebates, chargebacks and discounts with respect to the purchase of the Company’s product. Revenues from product sales are recognized when the customer obtains control of the Company’s product, which occurs at a point in time, either upon shipment or delivery to the customer.

Revenues from product sales are recorded at the net sales price, or “transaction price,” which includes estimates of variable consideration for which reserves are established that result from: (a) invoice discounts for prompt payment, cash payment and distribution service fees, (b) government and private payer rebates, chargebacks, discounts and fees, (c) performance rebates and administrative fees, (d) product returns and (e) costs of co-pay assistance programs for patients. These reserves are based on amounts earned or to be claimed on the related sale and are classified as reductions of accounts receivable (if the amount is payable to the customer) or accrued expenses and other current liabilities (if the amount is payable to a party other than a customer). Where appropriate, the Company utilizes the expected value method to determine the appropriate amount for estimates of variable consideration. The estimates of reserves established for variable consideration reflect current contractual and statutory requirements, the Company’s historical experience, specific known market events and trends, industry data and forecasted customer buying and payment patterns. The amount of variable consideration that is included in the transaction price may be constrained and is included in net product revenues only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. Actual amounts of consideration ultimately received may differ from the Company’s estimates. If actual results vary from the Company’s estimates, the Company adjusts these estimates in the period such change in estimate becomes known, which could affect net product revenue and earnings in the period of the adjustment.

More specifically, these adjustments include the following:

- (a) **Prompt Pay and Cash Pay Discounts:** The Company generally provides invoice discounts on product sales to its customers for prompt payment and/or cash payment. The Company estimates the amount of such discounts that will be utilized and deducts the amount from its gross product revenues and accounts receivable at the time such revenues are recognized.
- (b) **Customer Fees:** The Company pays fees to its customers for account management, data management, and other administrative services. To the extent the services received are distinct from sales of products to the customer, the Company records these payments in selling, general and administrative expenses.
- (c) **Chargebacks:** Chargebacks are discounts that occur when contracted customers purchase directly from a wholesaler or specialty distributor. Contracted customers, which currently consist primarily of public health service institutions, federal government entities, pharmaceutical benefit managers, and health maintenance organizations, generally purchase the product at a discounted price. The wholesaler or specialty distributor, in turn, charges back to the Company the difference between the price initially paid by the wholesaler or specialty distributor and the discounted price paid to the wholesaler or specialty distributor by the contracted customer. The allowance for chargebacks is based on actual chargebacks received and an estimate of sales to contracted customers.

- (d) **Rebates:** Allowances for rebates include mandated discounts under the Medicaid Drug Rebate Program and the Medicare Part D prescription drug benefit as well as contracted discounts with pharmaceutical benefit managers and health maintenance organizations. Rebates are amounts owed after the final dispensing of the product to a benefit plan participant and are based upon contractual agreements with payers or statutory requirements pertaining to Medicaid and Medicare benefit providers. The allowance for rebates is based on contractual or statutory discount rates, estimated payer mix, and expected utilization. The Company's estimates for expected utilization of rebates are based on historical data received from wholesalers, specialty distributors, and pharmacies since launch, as well as analog data from similar products. The Company monitors sales trends and adjusts the allowance on a regular basis to reflect the most recent rebate experience. The Company's liability for these rebates consists of invoices received, estimates of claims for the current quarter, and estimated future claims that will be made for product that has been recognized as revenue, but remains in the distribution channel inventories at the end of each reporting period.
- (e) **Co-payment Assistance:** The Company offers co-payment assistance to patients. Co-payment assistance is accrued based on an estimate of the number of co-payment assistance claims and the cost per claim that the Company expects to receive associated with product that has been recognized as revenue but remains in the distribution channel inventories at the end of each reporting period.
- (f) **Product Returns:** Consistent with industry practice, the Company offers its customers limited product return rights for damages, shipment errors, and expiring product; provided that the return is within a specified period around the product expiration date as set forth in the applicable individual distribution or customer agreement. The Company does not allow product returns for product that has been dispensed to a patient. In arriving at its estimate for product returns, the Company considers historical product returns, the underlying product demand, and industry specific data.

License, Milestone and Other Revenue

The Company applies significant judgment when evaluating whether contractual obligations represent distinct performance obligations, allocating transaction price to performance obligations within a contract, determining when performance obligations have been met, assessing the recognition and future reversal of variable consideration, and determining and applying appropriate methods of measuring progress for performance obligations satisfied over time. These judgments are discussed in more detail below.

- ***Licenses of intellectual property:*** If the licenses to intellectual property are determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenues from non-refundable, upfront fees allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are not distinct from other promises, the Company applies judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, upfront fees. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the related revenue recognition accordingly.
- ***Milestone payments:*** At the inception of each arrangement that includes research, development or regulatory milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The transaction price is then allocated to each performance obligation on a relative standalone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, the Company re-evaluates the probability of achievement of such development milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price on a cumulative catch-up basis in earnings in the period of the adjustment.
- ***Royalties and commercial milestone payments:*** For arrangements that include sales-based royalties, including commercial milestone payments based on a pre-specified level of sales, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). Achievement of these royalties and commercial milestones may solely depend upon performance of the licensee.

Revenue is also generated by certain technology-focused contracts from subscription and service-based fees recognized for the use of certain technology internally developed. Subscription revenue is recognized ratably over the contract period.

Trade Receivables, Net

The Company monitors the financial performance and creditworthiness of its customers so that it can properly assess and respond to changes in customer credit profiles. The Company reserves against trade receivables for estimated losses that may arise from a customer's inability to pay, and any amounts determined to be uncollectible are written off against the reserve when it is probable that the receivable will not be collected. The reserve amount for estimated losses was de minimis as of March 31, 2023 and 2022. Trade receivables, net is included in "Other current assets" on the accompanying consolidated balance sheets.

(S) Cost of Revenues

Cost of revenues related to the Company's subscription and service-based revenue recognized for the use of technology developed consists primarily of employee, hosting, and third-party data costs. Following the initial product launch of VTAMA, the Company began to recognize cost of product revenues, which includes the cost of producing and distributing inventories related to product revenue during the respective period, including manufacturing, freight, and indirect overhead costs. Additionally, cost of product revenues may include costs related to excess or obsolete inventory adjustment charges, abnormal costs, unabsorbed manufacturing and overhead costs, and manufacturing variances. Cost of product revenues through March 31, 2023 is included in "Cost of revenues" on the accompanying consolidated statements of operations.

(T) Warrant Liabilities

The Company classifies the Roivant Warrants (as defined in Note 8, "Business Combination with MAAC") as liabilities. At the end of each reporting period, changes in fair value during the period are recognized within the consolidated statements of operations. The Company will continue to adjust the carrying value of the liability associated with the Roivant Warrants for changes in the fair value until the earlier of a) the exercise or expiration of the Roivant Warrants or b) the redemption of the Roivant Warrants. Issuance costs incurred that were attributable to the Roivant Warrants were expensed as incurred.

(U) Recently Adopted Accounting Pronouncements

The Company did not adopt any material accounting pronouncements during the year ended March 31, 2023.

(V) Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise disclosed above, the Company does not believe that the adoption of recently issued standards have or may have a material impact on its consolidated financial statements and disclosures.

Note 3—Revenue

(A) Product Revenue, Net

The Company's product revenue, net relates entirely to the sale of VTAMA in the United States. The Company began generating product revenue, net from sales of VTAMA in the United States following the approval of VTAMA for the treatment of plaque psoriasis in adult patients by the FDA in May 2022. The Company records product revenue net of estimated chargebacks, discounts, rebates, returns, and other allowances associated with the respective sales.

(B) License, Milestone and Other Revenue

Proteovant

In February 2022, Proteovant Therapeutics, Inc. ("Proteovant") entered into a collaboration agreement with Blueprint Medicines pursuant to which the parties will jointly research and advance up to two novel protein degrader compounds into development candidates, as well as up to two additional novel protein degrader target programs as may be mutually agreed to by the Blueprint Medicines and Proteovant (each a target program). Under the terms of the collaboration agreement, Proteovant received a nonrefundable, upfront payment of \$20.0 million in March 2022 and will be eligible to receive up to an additional \$632.0 million in contingent milestone payments including specified research, development, regulatory and commercialization milestones and tiered percentage royalties on a licensed product-by-licensed product basis ranging from the mid- to high-single digits on net sales on the first two target programs, subject to adjustment in specified circumstances. If Proteovant opts-in to the second target program (the "Opt-In Right"), the parties will jointly develop and commercialize such compounds and will split profits and losses of that program equally in the United States along with global development costs. Additionally, development and regulatory milestone payments for the second target or opt-in target program will be reduced, and Proteovant will only be eligible to receive commercialization milestone payments and royalties on ex-United States sales of products relating to such target program. In addition, the parties may jointly extend the collaboration, with the same structure and financial terms, for up to two additional target programs through additional funding by Blueprint Medicines and Proteovant's Opt-In Right would extend to the second of such additional target programs.

Proteovant will be performing research and development activities throughout the period until Blueprint Medicines can exercise its option to obtain a worldwide, exclusive license to develop and commercialize any licensed compound, subject to Proteovant’s Opt-In Right. Proteovant initially recorded the \$20.0 million upfront payment as deferred revenue on the accompanying consolidated balance sheets and is recognizing it as revenue as the services are provided over the development period.

Covant

In March 2023, Covant Therapeutics Operating, Inc. (“Covant”) entered into a collaboration and license agreement with Boehringer Ingelheim International, GmbH (“BI”). Under the terms of the collaboration and license agreement, Covant will conduct discovery work on RNA-specific adenosine deaminase 1 (“ADAR1”) targeting and modulating compounds and BI will receive an exclusive, royalty-bearing, worldwide transferable, sublicensable license to exploit Covant’s ADAR1 binding compounds and/or resulting products worldwide. In exchange, Covant will receive a nonrefundable, upfront payment of \$10.0 million and will be eligible to receive up to an additional \$471.0 million in contingent milestone payments including specified research, development, regulatory, and commercialization milestones; and tiered royalties on global sales.

Note 4—Equity Method Investments

The Company maintains equity method investments in certain entities. As of March 31, 2023 and 2022, the most significant of these were our investments in Datavant and Arbutus, which are accounted for using the fair value option.

Following an equity raise completed by Datavant Holdings, Inc. (“Datavant”) along with a restructuring of Datavant’s equity classes in April 2020, the Company deconsolidated Datavant. In June 2021, Datavant and Heracles Parent, L.L.C. (referred to herein as “Ciox Parent” and, after the closing of the Datavant Merger (as defined below), “Datavant”), primarily through its wholly owned subsidiary CIOX Health, LLC, entered into a definitive agreement to merge Datavant with and into a newly formed wholly owned subsidiary of Ciox Parent (the “Datavant Merger”). The merger closed on July 27, 2021. At closing, the Company received approximately \$320 million in cash and a minority equity stake in Ciox Parent. As a result of the transaction, the Company recognized a gain on sale of investment of \$443.8 million in the accompanying consolidated statements of operations for the year ended March 31, 2022. The fair value of the Company’s investment in Datavant was determined using valuation models that incorporate significant unobservable inputs and is classified as a Level 3 measurement within the fair value hierarchy. Refer to Note 17, “Fair Value Measurements” for more information.

Additionally, the Company holds an investment in Arbutus in the form of 38,847,462 common shares of Arbutus.

The Company determined that it does not control these entities and as a result does not consolidate these entities. Due to the Company’s significant influence over operating and financial policies of these entities, the entities are considered related parties of the Company.

Summarized Equity Method Investment Details

Details regarding our significant equity method investments are as follows:

	<u>Ownership %</u>		<u>Aggregate Fair Value (in millions)</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Datavant	17% ⁽¹⁾	17% ⁽¹⁾	\$ 178.6	\$ 193.9
Arbutus	24%	26%	\$ 117.7	\$ 115.8

(1) The ownership percentage represents the Company’s equity interest in the outstanding Class A units in Ciox Parent. Ciox Parent’s capital structure includes several classes of preferred units that, among other features, have liquidation preferences and conversion features. Upon conversion of such preferred units into Class A units, the Company’s ownership interest would be diluted. Refer above for additional information regarding investment.

The Company recognized unrealized losses (gains) on its significant equity method investments in the accompanying consolidated statements of operations as follows:

	Unrealized Loss (Gain) on Investment (in millions)			
	Years Ended March 31,			
	2023		2022	
Datavant	\$	15.4	\$	30.2
Arbutus	\$	(1.9)	\$	13.6

Summarized consolidated financial information of Datavant, reported on a one quarter lag, is as follows (in thousands):

	Twelve Months Ended December 31,			
	2022		2021	
Revenue	\$	873,435	\$	727,926
Gross profit	\$	354,561	\$	305,244
Net loss	\$	(190,243)	\$	(92,486)

Summarized consolidated financial information of Arbutus is as follows (in thousands):

	Twelve Months Ended March 31,			
	2023		2022	
Revenue	\$	33,125	\$	21,456
Loss from operations	\$	(71,895)	\$	(68,820)
Net loss	\$	(70,030)	\$	(75,631)

Note 5—Intangible Assets

In July 2018, Dermavant acquired the worldwide rights (other than for China) with respect to certain intellectual property rights retained by Welichem Biotech Inc. (“Welichem”) to VTAMA and related compounds from Glaxo Group Limited and GlaxoSmithKline Intellectual Property Development Ltd. (collectively, “GSK”) pursuant to an asset purchase agreement (the “GSK Agreement”). GSK previously acquired rights to a predecessor formulation from Welichem pursuant to an asset purchase agreement between GSK and Welichem entered into in May 2012. The Company evaluated the agreement and determined that the acquired assets did not meet the definition of a business and thus the transaction was accounted for as an asset acquisition.

Following the FDA approval of VTAMA in May 2022, the Company became obligated to pay a regulatory milestone to GSK of £100.0 million (approximately \$126 million on the date of achievement) following the receipt of marketing approval of VTAMA in the United States. The milestone was paid in July 2022.

Additionally, the first sale of VTAMA in May 2022 resulted in the achievement of a milestone to Welichem Biotech Inc. of CAD\$25.0 million (approximately \$20 million on the date of achievement). The milestone was paid in August 2022.

Both of the above milestones were capitalized as intangible assets upon achievement and are being amortized over their estimated useful lives.

The following table summarizes the Company’s recognized intangible assets (in thousands):

	Remaining Weighted Average Estimated Useful Lives		March 31, 2023
	(in years)		
Gross amount	15.6		\$ 152,629
Less: accumulated amortization			(7,748)
Net book value			\$ 144,881

The Company’s intangible assets are denominated in currencies other than U.S. dollar and therefore are subject to foreign currency movements.

Amortization expense was \$7.5 million for the year ended March 31, 2023 and was recorded as part of “Cost of revenues” in the accompanying consolidated statement of operations. Future amortization expense is approximately \$9.3 million for each of the years ending from March 31, 2024 through March 31, 2028 and \$98.4 million thereafter.

Note 6—Asset Acquisitions and License Agreements

During the years ended March 31, 2023 and 2022, the Company, directly or indirectly through Vants, completed the following key asset acquisitions and license agreements. The Company evaluated the below agreements and determined that the acquired assets did not meet the definition of a business as substantially all the fair value of the assets acquired were concentrated in a single asset or group of similar assets and/or the acquired assets were not capable of producing outputs due to the lack of an assembled workforce and early stage of development and thus, each transaction was accounted for as an asset acquisition.

The Company then evaluated whether each in-process research and development asset had an alternative future use and concluded it did not. As a result, the Company recorded the consideration attributable to in-process research and development under the below agreements as acquired in-process research and development expense in the accompanying consolidated statements of operations for the years ended March 31, 2023 and 2022.

Priovant

In September 2021, Priovant Therapeutics, Inc. (“Priovant”) entered into a license and collaboration agreement with Pfizer, Inc. (“Pfizer”) (the “Pfizer License Agreement”). The transaction was accounted for as an asset acquisition as the acquired assets did not meet the definition of a business. The fair value of consideration transferred was \$82.1 million, consisting of \$70.0 million of preferred stock issued to Pfizer, representing a dilution-protected minority ownership interest in Priovant; a \$10.0 million upfront cash payment; and \$2.1 million relating to other obligations. The acquired rights, which included the licensed rights, starting materials and in-process inventory for each drug candidate, represent in-process research and development assets, which were determined to have no alternative future use. Accordingly, the Company recorded \$82.1 million as acquired in-process research and development expense in the accompanying consolidated statements of operations for the year ended March 31, 2022.

Priovant is obligated to pay Pfizer a mid tens-of-millions sales milestone payment if aggregate net sales of its licensed products in Priovant’s territory in a given year exceed a mid hundreds-of-millions amount. Pfizer is obligated to pay Priovant a low tens-of-millions sales milestone payment if aggregate net sales of its licensed products outside of Priovant’s territory in a given year exceed a mid hundreds-of-millions amount.

Priovant is obligated to pay Pfizer a tiered, sub-teens royalty, on aggregate net sales of its licensed products in Priovant’s territory. Pfizer is obligated to pay Priovant a tiered high single-digit to sub-teens royalty, on aggregate net sales of its licensed products outside of Priovant’s territory.

Hemavant

In November 2021, Hemavant Sciences GmbH (“Hemavant”), a wholly owned subsidiary of the Company, entered into a license agreement with Eisai Co., Ltd. (“Eisai”) (the “Eisai License Agreement”). Pursuant to the Eisai License Agreement, Eisai granted Hemavant (i) an exclusive, worldwide, sublicensable, royalty-bearing license under certain patents and know-how and (ii) a non-exclusive, worldwide, sublicensable, royalty-bearing license under certain additional patents, know-how and inventions, in each case, to develop, manufacture and commercialize the compound known as RVT-2001 and products incorporating RVT-2001 for all human and animal uses. In exchange for the rights, the Company made an upfront payment to Eisai consisting of \$8.0 million in cash and the issuance of \$7.0 million in shares of the Company’s common stock at an agreed price of \$8.00 per share. Hemavant may also be obligated to pay up to a maximum of \$65.0 million in development and regulatory milestone payments (with respect the product for the first indication) and up to a maximum of \$18.0 million in payments (with respect to the product for each additional indication) and up to a maximum of \$295.0 million in commercial milestone payments. Hemavant may also be obligated to pay a tiered high single-digit to sub-teens royalty, subject to certain customary reductions, on net sales of licensed products.

The transaction was accounted for as an asset acquisition as the acquired assets did not meet the definition of a business. The acquired rights, which include the licensed rights and in-process inventory of the drug candidate, represent in-process research and development assets that were determined to have no alternative future use. The fair value of the 874,957 shares of the Company’s common stock issued to Eisai based on the closing price as of the effective date of the Eisai License Agreement was \$6.1 million. Accordingly, the Company recorded \$14.1 million as acquired in-process research and development expense in the accompanying consolidated statements of operations for the year ended March 31, 2022.

Telavant

In November 2022, Telavant, Inc. (“Telavant”) entered into a license and collaboration agreement with Pfizer, Inc. (“Pfizer”), pursuant to which Pfizer granted Telavant an exclusive license to RVT-3101, a fully human monoclonal antibody targeting TL1A. Under the license, Telavant will be responsible for funding the worldwide development of RVT-3101 in ulcerative colitis and in additional inflammatory and fibrotic diseases and holds commercialization rights in the U.S. and Japan. Pfizer will maintain commercialization rights and rights to revenue outside of the U.S. and Japan. At closing, the Company contributed \$45.0 million in cash to Telavant and committed to contribute or raise additional capital that is non-dilutive to Pfizer.

In addition, Pfizer granted Telavant an exclusive option to collaborate with Pfizer on the p40/TL1A directed bispecific antibody PF-07261271, which recently entered Phase 1. The option provides Telavant the right to enter into an agreement prior to Phase 2 for global development of the antibody with a 50/50 cost share as well as co-commercialization with Pfizer.

The transaction was accounted for as an asset acquisition as the acquired assets did not meet the definition of a business. The fair value of consideration transferred was \$87.7 million, primarily consisting of preferred stock issued to Pfizer, which represents a dilution-protected 25% equity interest in Telavant. The acquired rights, which included the licensed rights, starting materials and in-process inventory, and the exclusive option to collaborate with Pfizer on p40/TL1A directed bispecific antibody PF-07261271, represent in-process research and development assets, which were determined to have no alternative future use. Accordingly, the Company recorded \$87.7 million as acquired in process research and development expense in the accompanying consolidated statements of operations for the year ended March 31, 2023.

Telavant is obligated to pay a mid-single-digit royalty on aggregate net sales of its licensed products in Telavant’s territory.

Note 7—Certain Balance Sheet Components

(A) Other Current Assets

Other current assets at March 31, 2023 and 2022 consisted of the following (in thousands):

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Prepaid expenses	\$ 60,827	\$ 53,370
Trade receivables, net	30,379	3,878
Restricted cash	5,011	3,903
Inventory	2,761	—
Income tax receivable	2,356	2,854
Other	20,440	22,118
Total other current assets	\$ 121,774	\$ 86,123

(B) Accrued Expenses

Accrued expenses at March 31, 2023 and 2022 consisted of the following (in thousands):

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Research and development expenses	\$ 76,278	\$ 66,188
Compensation-related expenses	55,186	44,262
Sales allowances	17,569	—
Other expenses	18,096	17,081
Total accrued expenses	\$ 167,129	\$ 127,531

(C) Other Current Liabilities

Other current liabilities at March 31, 2023 and 2022 consisted of the following (in thousands):

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Deferred revenue	\$ 12,444	\$ 10,147
Income tax payable	542	708
Other	2,090	—
Total other current liabilities	\$ 15,076	\$ 10,855

Note 8—Business Combination with MAAC

On September 30, 2021 (the “Closing Date”), in accordance with the Business Combination Agreement, as amended (the “Business Combination Agreement”), RSL completed its business combination (the “Business Combination”) with MAAC, through the merger of RSL’s wholly owned subsidiary, Rhine Merger Sub, Inc., with MAAC (the “Merger”), with MAAC surviving the Merger as a wholly owned subsidiary of RSL. As MAAC does not represent a business for accounting purposes and its primary asset represents cash and cash equivalents, the Business Combination was treated as an equity contribution in exchange for the issuance of RSL shares. The net assets of MAAC were stated at historical cost, with no goodwill or other intangible assets recorded. Reported amounts from operations included herein prior to the Business Combination are those of RSL.

On the Closing Date prior to the effective time of the Merger (the “Effective Time”), RSL effected a 2.9262-for-1 stock subdivision based on the fixed exchange ratio established in the Business Combination. The shares, equity awards and net loss per share available to holders of the Company’s common stock prior to the Business Combination have been retroactively restated to reflect the fixed exchange ratio.

In accordance with the terms of the Business Combination Agreement, at the Effective Time:

- (a) each share of MAAC Class A common stock (the “MAAC Class A Shares”) and each share of MAAC Class B common stock (the “MAAC Class B Shares”) that were outstanding immediately before the Effective Time (other than treasury shares and any shares held by Patient Square Capital LLC (the “MAAC Sponsor”), any affiliate of the MAAC Sponsor or any of MAAC’s independent directors (the “MAAC Independent Directors”) or its transferee) were automatically canceled and extinguished and converted into one common share of RSL (the “Roivant Common Share”),
- (b) each MAAC Class B Share that was outstanding immediately before the Effective Time and held by the MAAC Sponsor, any affiliate of the MAAC Sponsor or any of the MAAC Independent Directors or its transferee were automatically canceled and extinguished and converted into a number of Roivant Common Shares based on an exchange ratio of 0.75, with a portion of such Roivant Common Shares issued to the MAAC Sponsor, any affiliate of the MAAC Sponsor, any MAAC Independent Director or its transferee by virtue of the Merger being subject to the vesting and other terms and conditions set forth in the Sponsor Support Agreement (as more fully described below),
- (c) each warrant to purchase MAAC Class A Shares that was outstanding immediately before the Effective Time was converted automatically into a right to acquire a Roivant Common Share (a “Roivant Warrant”) at an exercise price of \$11.50 per share, subject to certain adjustments.

Following the Merger, the Roivant Common Shares and the Roivant Warrants began trading on the Nasdaq Global Market under the ticker symbols “ROIV” and “ROIVW,” respectively, on October 1, 2021.

In connection with the Business Combination, RSL entered into subscription agreements with certain investors, whereby it issued 22,000,000 common shares at \$10.00 per share for an aggregate purchase price of \$220.0 million (the “PIPE Financing”). The PIPE Financing closed simultaneously with the consummation of the Business Combination.

In connection with the Business Combination and PIPE Financing, the Company received \$213.4 million in cash at closing (the “Closing”), net of deferred underwriting expenses and unpaid expenses incurred by MAAC in connection with the transaction. The Company incurred \$24.4 million in costs directly related to the Business Combination and PIPE Financing, such as banker fees and costs associated with third-party legal, accounting and other professional services. Upon Closing, these costs, which had been capitalized on the Company’s consolidated balance sheet were recorded as a reduction of additional paid-in capital with the exception of \$7.4 million, which were expensed as they represent the allocation of the transaction costs associated with the Roivant Warrants and Earn-Out Shares (as defined below) liabilities. Transaction costs were allocated to the Roivant Warrants and Earn-Out Shares liabilities based on the fair value of such instruments out of the total consideration.

Sponsor Support Agreement

Concurrently with the execution of the Business Combination Agreement, MAAC, the MAAC Sponsor, Roivant and each of the MAAC Independent Directors, entered into the Sponsor Support Agreement, which was subsequently amended on June 9, 2021, to reflect the MAAC Independent Directors and Roivant entering into respective Lock-Up Agreements, and further amended on September 30, 2021.

Pursuant to the Sponsor Support Agreement, among other things:

- (a) 2,033,591 Roivant Common Shares issued to the MAAC Sponsor and 10,000 Roivant Common Shares issued to each MAAC Independent Director (collectively, the “20% Earn-Out Shares”), each in respect of its MAAC Class B Shares, will vest if the closing price of Roivant Common Shares is greater than or equal to \$15.00 over any twenty out of thirty trading day period during the Vesting Period (defined below).
- (b) 1,016,796 Roivant Common Shares issued to the MAAC Sponsor and 5,000 Roivant Common Shares issued to each MAAC Independent Director (collectively, the “10% Earn-Out Shares” and, together with the 20% Earn-Out Shares, the “Earn-Out Shares”), each in respect of its MAAC Class B Shares, will vest if the closing price of Roivant Common Shares is greater than or equal to \$20.00 over any twenty out of thirty trading day period during the Vesting Period (as defined below).
- (c) The remaining number of Roivant Common Shares issued to the MAAC Sponsor and each MAAC Independent Director are not subject to the vesting conditions described above (the “Retained Shares”).

The Vesting Period commenced on November 9, 2021 and ends no later than September 30, 2026 (the “Vesting Period”). The Vesting Period will, if a definitive purchase agreement with respect to a Sale (as defined in the Sponsor Support Agreement) is entered into on or prior to the end of such period, be extended to the earlier of one day after the consummation of such Sale and the termination of such definitive transaction agreement, and if a Sale occurs during such Vesting Period, then all of the Earn-Out Shares unvested as of such time will automatically vest immediately prior to the consummation of such Sale. If any Earn-Out Shares have not vested on or prior to the end of such Vesting Period, then such Earn-Out Shares will be forfeited.

The Earn-Out Shares require liability classification and are classified as “Liability instruments measured at fair value” on the consolidated balance sheets. The Earn-Out Shares liability is subject to remeasurement at each balance sheet date with changes in fair value recognized in the Company’s consolidated statements of operations. As of March 31, 2023, no Earn-Out Shares have vested.

Lock-Up Agreements

On May 1, 2021 and June 9, 2021, RSL, on the one hand, and the MAAC Sponsor, the MAAC Independent Directors and certain Roivant equityholders, on the other hand, entered into lock-up agreements, pursuant to which, among other things, the MAAC Sponsor, the MAAC Independent Directors and such Roivant equityholders have agreed not to effect any sale or distribution of the Roivant Common Shares (including those underlying incentive equity awards or Roivant Warrants) held by the MAAC Sponsor, the MAAC Independent Directors or such equityholders as of immediately following the Closing during the applicable lock-up period, subject to customary exceptions.

The lock-up period applicable to Roivant Common Shares held by the MAAC Sponsor and MAAC Independent Directors as of immediately following the Closing will be (i) with respect to 25% of the Roivant Common Shares held by the MAAC Sponsor and MAAC Independent Directors, six months following the Closing, which expired on March 30, 2022, (ii) with respect to an additional 25% of the Roivant Common Shares held by the MAAC Sponsor and MAAC Independent Directors, the earlier of twelve months following the achievement of certain price-based vesting restrictions or six years from the Closing and (iii) with respect to 50% of the Roivant Common Shares held by the MAAC Sponsor and MAAC Independent Directors, thirty-six months following the Closing.

The Roivant Common Shares underlying warrants held by the MAAC Sponsor as of immediately following the Closing will be subject to a corresponding lock-up period for (a) with respect to 25% of such warrants held by the MAAC Sponsor, six months from the Closing, which expired on March 30, 2022, (b) with respect to an additional 25% of such warrants held by the MAAC Sponsor, twelve months from Closing, which expired on September 30, 2022, and (c) with respect to 50% of such warrants held by the MAAC Sponsor, thirty-six months from the Closing.

The lock-up period applicable to Roivant Common Shares held by certain Roivant equityholders as of immediately following the Closing (including those underlying incentive equity awards) will be (x) with respect to 25% of the Roivant Common Shares held by such Roivant equityholders (including those underlying incentive equity awards), six months following the Closing, which expired on March 30, 2022, (y) with respect to an additional 25% of the Roivant Common Shares held by such Roivant equityholders (including those underlying incentive equity awards), twelve months following the Closing, which expired on September 30, 2022, and (z) with respect to 50% of the Roivant Common Shares (including those underlying incentive equity awards) held by such Roivant equityholders, thirty-six months following the Closing.

Common Stock Warrants

At the effective time of the Merger, 10,214,365 Roivant Warrants that were held by the MAAC Sponsor at an exercise price of \$11.50 (the “Private Placement Warrants”) and 20,535,896 Roivant Warrants held by MAAC’s shareholders at an exercise price of \$11.50 (the “Public Warrants”) were converted into the right to acquire Roivant Common Shares. Pursuant to the agreement governing the Roivant Warrants, the Roivant Warrants became exercisable 30 days following the completion of the Business Combination. The Roivant Warrants will expire five years after the completion of the Business Combination, or earlier upon redemption or liquidation.

The Private Placement Warrants are generally identical to the Public Warrants, except that (i) the Private Placement Warrants (including the common stock issuable upon exercise of the Private Placement Warrants) were not transferable, assignable or salable until 30 days after the completion of the Business Combination (ii) they will not be redeemable by the Company when the price per share of Roivant Common Shares equals or exceeds \$18.00, and (iii) the Private Placement Warrants may be exercised by holders on a cashless basis. If the Private Placement Warrants are held by holders other than our sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by Roivant in all redemption scenarios and exercisable by the holders on the same basis as the Public Warrants.

The Roivant Warrants require liability classification and are classified as “Liability instruments measured at fair value” on the consolidated balance sheets. The Private Placement Warrants liability and Public Warrants liability are subject to remeasurement at each balance sheet date with changes in fair value recognized in the Company’s consolidated statements of operations. As of March 31, 2023, 60,021 Public Warrants have been exercised and none redeemed.

Redemption of Roivant Warrants when the price per share of Roivant Common Shares equals or exceeds \$18.00.

The Company may redeem the outstanding Roivant Warrants for cash (except with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of \$0.01 per Roivant Warrant;
- upon a minimum of 30 days’ prior written notice of redemption; and
- if, and only if, the last reported sale price of common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders (the “Reference Value”) equals or exceeds \$18.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like).

However, in this case, the Company will not redeem the Roivant Warrants unless an effective registration statement under the Securities Act covering the Roivant Common Shares issuable upon exercise of the Roivant Warrants is effective and a current prospectus relating to those Roivant Common Shares is available throughout the 30-day redemption period. Any such exercise would not be on a “cashless” basis and would require the exercising warrant holder to pay the exercise price for each Roivant Warrant being exercised.

Redemption of Roivant Warrants when the price per share of Roivant Common Shares equals or exceeds \$10.00.

The Company may redeem the outstanding Roivant Warrants (except as described herein with respect to the Private Placement Warrants):

- in whole and not in part;
- at \$0.10 per Roivant Warrant upon a minimum of 30 days’ prior written notice of redemption provided that holders will be able to exercise their Roivant Warrants on a cashless basis prior to redemption and receive that number of Roivant Common Shares determined by reference to an agreed table based on the redemption date and the “fair market value” of the Roivant Common Shares;
- if, and only if, the Reference Value equals or exceeds \$10.00 per share (as adjusted for stock splits, stock dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like); and
- if the Reference Value is less than \$18.00 per share (as adjusted for stock splits, stock dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like), the Private Placement Warrants must also concurrently be called for redemption on the same terms (except as described herein with respect to a holder’s ability to cashless exercise its warrants) as the outstanding Public Warrants, as described above.

For these purposes, “fair market value” of Roivant Common Shares shall mean the volume-weighted average price of common shares for the 10 trading days immediately following the date on which the notice of redemption is sent to warrant holders. In no event will the Roivant Warrants be exercisable in connection with this redemption feature for more than 0.361 Roivant Common Shares per Roivant Warrant (subject to adjustment).

Note 9—Long-Term Debt

Dermavant

Funding Agreement with NovaQuest

In connection with Dermavant’s acquisition of tapinarof from GSK pursuant to the GSK Agreement, Dermavant and NovaQuest Co-Investment Fund VIII, L.P. (“NovaQuest”) entered into a funding agreement (the “NovaQuest Agreement”). Pursuant to the NovaQuest Agreement, Dermavant borrowed \$100.0 million in August 2018 and \$17.5 million in October 2018.

In exchange for the \$117.5 million in total funding from NovaQuest, Dermavant agreed to make fixed payments to NovaQuest under the NovaQuest Agreement upon regulatory approval of tapinarof. For each of the atopic dermatitis and psoriasis indications, Dermavant is required to make quarterly payments to NovaQuest totaling \$176.3 million per indication over a six-year period following regulatory approval of tapinarof for the applicable indication in the United States. In the event that Dermavant receives regulatory approval for one indication, and Dermavant terminates the development of the other indication for any reason other than a Technical Failure (as defined below), then Dermavant will be required to make the above-referenced quarterly payments to NovaQuest up to \$440.6 million over a 15-year period for the approved indication, which are referred to as 15-year Payments. A Technical Failure is deemed to occur for an indication if the development program for such indication is terminated due to (1) significant safety concerns, (2) material adverse developments or (3) the receipt by Dermavant of a complete response letter or a final non-approval letter from the FDA is expected to result in significant delay in or cost to reach commercialization for the applicable indication. In addition, Dermavant is required to make up to \$141.0 million in payments to NovaQuest upon achievement of certain commercial milestones. In the event that Dermavant is required to start making 15-year Payments, then Dermavant has the right to offset such amounts by up to \$88.1 million of the commercial milestone payments, with such offset being applied to the quarterly payments in reverse chronological order (such that the final quarterly payments owed will be used first to offset the commercial milestone payments). The NovaQuest Agreement does not contain any royalty payment requirements on commercialization of tapinarof. Upon receiving FDA approval for the psoriasis indication, Dermavant made its first quarterly payment of \$7.3 million under the NovaQuest Agreement in May 2022 and has made cumulative quarterly payments totaling \$29.4 million as of March 31, 2023.

At issuance, the Company concluded that certain features of the long-term debt would be considered derivatives that would require bifurcation. In lieu of bifurcating various features in the agreement, the Company has elected the fair value option for this financial instrument and records the changes in the fair value within the consolidated statements of operations at the end of each reporting period. Direct costs and fees related to the debt issued under the NovaQuest Agreement were recognized in earnings. As of March 31, 2023 and 2022, the fair value of the debt was \$207.6 million and \$177.4 million, respectively. Refer to Note 17, “Fair Value Measurements” for additional details regarding the fair value measurement.

The carrying balance of the debt issued to NovaQuest was as follows (in thousands):

	March 31, 2023	March 31, 2022
Fair value of long-term debt	\$ 207,640	\$ 177,400
Less: current portion	(26,940)	—
Total long-term debt, net	\$ 180,700	\$ 177,400

Credit Facility with XYQ Luxco

In May 2021, Dermavant entered into a \$40.0 million senior secured credit facility (the “Credit Facility”) entered into by Dermavant and certain of its subsidiaries in May 2021 with XYQ Luxco S.A.R.L. (“XYQ Luxco”), as lender, and U.S. Bank National Association, as collateral agent. The Credit Facility has a five-year maturity and bears an interest rate of 10.0% per annum. Interest is payable quarterly in arrears on the last day of each calendar quarter through the maturity date. A lump sum principal payment is due on the maturity date. Dermavant is also obligated to pay an exit fee of \$5.0 million. The exit fee can be reduced to \$4.0 million upon achievement of certain equity milestones defined in the agreement, which are not deemed likely as of March 31, 2023. In connection with the funding of the Credit Facility, Dermavant issued a warrant to XYQ Luxco to purchase 1,199,072 common shares of Dermavant at an exercise price of \$0.01 per common share.

Outstanding debt obligations to XYQ Luxco were as follows (in thousands):

	March 31, 2023	March 31, 2022
Principal amount	\$ 40,000	\$ 40,000
Exit fee	5,000	5,000
Less: unamortized discount and debt issuance costs	(10,170)	(12,375)
Total debt, net	34,830	32,625
Less: current portion	—	—
Total long-term debt, net	<u>\$ 34,830</u>	<u>\$ 32,625</u>

Annual maturities, including the exit fee, of outstanding debt obligations to XYQ Luxco as of March 31, 2023 are as follows (in thousands):

Years Ending March 31,

2024	\$ —
2025	—
2026	—
2027	45,000
2028	—
Thereafter	—
Total	<u>\$ 45,000</u>

Revenue Interest Purchase and Sale Agreement

In May 2021, Dermavant, as seller, entered into a \$160.0 million revenue interest purchase and sale agreement (the “RIPSA”) for its investigational product tapinarof with XYQ Luxco, NovaQuest Co-Investment Fund XVII, L.P., an affiliate of NovaQuest Capital Management, LLC, and MAM Tapir Lender, LLC, an affiliate of Marathon Asset Management, L.P., together with U.S. Bank National Association, as collateral agent. Under the terms of the RIPSA, Dermavant is obligated to pay royalties based on a capped single-digit revenue interest in net sales of tapinarof for all dermatological indications in the United States, up to a cap of \$344.0 million, in exchange for the \$160.0 million in committed funding, which was paid to Dermavant in June 2022 following the approval of tapinarof by the FDA.

The transaction is accounted for as debt. Over the term of the arrangement, the effective interest rate will be updated prospectively each reporting period based on the carrying amount of the note, payments made to date, and the estimated remaining cash flows related to the note.

The RIPSA carrying balance was as follows (in thousands):

	March 31, 2023
Carrying balance	\$ 178,571
Less: unamortized issuance costs	(4,806)
Total debt, net	173,765
Less: current portion	(13,780)
Total long-term debt, net	<u>\$ 159,985</u>

Note 10—Related Party Transactions

Sumitomo Pharma Co., Ltd.

In May 2021, the Company entered into an Asset Purchase Agreement with Sumitomo Pharma Co., Ltd. (“Sumitomo”) and its subsidiary Sumitomo Pharmaceuticals (Suzhou) Co., Ltd. (“SPC”) (the “Asset Purchase Agreement”). The transactions contemplated by the Asset Purchase Agreement closed in June 2021. Pursuant to the Asset Purchase Agreement: (i) Sumitomo terminated all of its existing options to acquire the Company’s equity interests in certain of its subsidiaries (the “Sumitomo Options”); (ii) the Company transferred and assigned to SPC all of its intellectual property, development and commercialization rights for (a) lefamulin in Mainland China, Taiwan, Hong Kong, and Macau (collectively “Greater China”), (b) vibegron in Mainland China, (c) rodatristat ethyl in Greater China and South Korea and (d) RVT-802 in Greater China and South Korea; (iii) Sumitomo agreed to pay the Company \$5.0 million in cash; and (iv) Sumitomo entered into an agreement with the Company to pursue future collaborations with Genevant Sciences Ltd. (“Genevant”). The Company received the cash payment, net of certain withholding taxes, in August 2021. The Company recorded a gain on the termination of the Sumitomo Options of \$66.5 million, consisting of the fair value of the Sumitomo Options on the date of termination and the cash payment, in the accompanying consolidated statements of operations for the year ended March 31, 2022.

Note 11—Discontinued Operations

In March 2023, Sumitovant Biopharma Ltd. (“Sumitovant”), a wholly-owned subsidiary of Sumitomo, completed its acquisition of Myovant Sciences Ltd. (“Myovant”), pursuant to an agreement by which Sumitovant acquired all outstanding shares of Myovant not already owned by Sumitovant for \$27.00 per share in cash (the “Myovant Transaction”). Shortly prior to the closing of the Myovant Transaction, RSL received 4,243,005 common shares of Myovant (the “Myovant Top-Up Shares”) from Sumitovant. RSL was entitled to the Myovant Top-Up Shares pursuant to the December 2019 transaction with Sumitomo (the “Sumitomo Transaction”) that included, among other things, the transfer of RSL’s ownership interest in five Vants—Myovant, Urovant Sciences Ltd., Enzyvant Therapeutics Ltd., Altavant Sciences Ltd., and Spirovant Sciences Ltd.—to Sumitovant. The Sumitomo Transaction was presented as discontinued operations during the year ending March 31, 2020, and the right to receive the Myovant Top-Up Shares was treated as a contingent consideration upon a sale of the business and accounted for as a gain contingency.

As part of the Myovant Transaction, the Myovant Top-Up Shares were subsequently acquired back by Sumitovant for \$27.00 per share. The total amount received of \$114.6 million was recorded as gain on sale of common shares of Myovant and presented as “Income from discontinued operations, net of tax” in the accompanying consolidated statements of operations for the year ended March 31, 2023.

In the accompanying consolidated statements of cash flows, the cash flows from discontinued operations are not separately classified. The cash flow item from discontinued operations was as follows (in thousands):

	Year Ended
	March 31, 2023
Gain on recovery of contingent consideration	\$ (114,561)
Proceeds from sale of Myovant Top-Up Shares	\$ 114,561

Note 12—Shareholders’ Equity**(A) RSL Common Stock**

On September 30, 2021 in connection with the closing of the Business Combination, the Company effected a 2.9262-for-1 stock subdivision based on the fixed exchange ratio established in the Business Combination. All per share amounts and number of shares in the consolidated financial statements and related notes have been retroactively restated to reflect the stock split.

Additionally, in connection with the closing of the Business Combination, the Company adjusted its authorized share capital to equal 7,000,000,000 common shares, par value \$0.0000000341740141 per share. Each common share has the right to one vote. The holders of common shares are also entitled to receive dividends whenever funds are legally available and when declared by the board of directors, subject to the prior rights of holders of all classes of stock outstanding having priority rights as to dividends. No dividends have been declared by the board of directors since the Company’s inception.

(B) At-the-Market Equity Offering Program

On September 19, 2022, the Company entered into a sales agreement (the “Sales Agreement”) with Cowen and Company, LLC (“Cowen”) to sell its common shares having an aggregate offering price of up to \$400.0 million from time to time through an “at-the-market” equity offering program under which Cowen acts as the Company’s agent (the “ATM Facility”).

As of March 31, 2023, the Company had \$400.0 million of remaining capacity available under the ATM Facility.

The Company had previously entered into a committed equity facility (the “Cantor Facility”) with an affiliate of Cantor Fitzgerald & Co. (“Cantor”) on February 14, 2022. Under the terms of the Cantor Facility, Cantor committed to purchase up to an aggregate of \$250.0 million in the Company’s common shares from time to time at the request of the Company, subject to certain limitations and the satisfaction of certain conditions. In connection with the Company’s entry into the Sales Agreement with Cowen, the Company elected to terminate the Cantor Facility, effective as of October 5, 2022.

(C) Underwritten Public Offerings of Common Shares

In November 2022, the Company completed an underwritten primary and secondary public offering of 30,000,000 common shares of RSL at a price to the public of \$5.00 per share. Of these common shares, 20,000,000 were sold by RSL and 10,000,000 were sold by certain selling shareholders. Net proceeds to the Company were approximately \$94.7 million after deducting underwriting discounts and commissions and offering expenses. The Company did not receive any proceeds from the sale of common shares by the selling shareholders in the offering.

In February 2023, the Company completed an underwritten public offering of 30,666,665 common shares of RSL (including 3,999,999 common shares issued and sold upon the full exercise of the underwriters' option to purchase additional shares) at a price to the public of \$7.50 per share. Net proceeds to the Company were approximately \$216.9 million after deducting underwriting discounts and commissions and offering expenses.

(D) Disposal of Cytovant

In July 2022, the Company exited its operations in Cytovant Sciences HK Limited ("Cytovant") by transferring all of its equity interest to certain investors holding Series A-1 preference shares of Cytovant in exchange for nominal consideration. As a result of this transaction, the Company deconsolidated Cytovant and recorded a gain on deconsolidation of \$16.8 million, primarily as a result of relieving its redeemable noncontrolling interest, in the accompanying consolidated statements of operations for the year ended March 31, 2023.

(E) Consolidated Vant Equity Transactions

Immunovant

In October 2022, the Company's subsidiary, Immunovant, Inc. ("Immunovant"), completed an underwritten public offering of 12,500,000 shares of its common stock (including 416,667 shares of common stock purchased by RSL) at a price to the public of \$6.00 per share, for net proceeds to Immunovant of approximately \$70.2 million after deducting underwriting discounts and commissions and offering expenses.

Proteovant

In July 2021, Proteovant Sciences, Inc. collected the subscription receivable relating to the second \$100.0 million payment due under a subscription agreement entered into with SK, Inc. ("SK") in December 2020 pursuant to which SK agreed to make a \$200.0 million equity investment in Proteovant Sciences, Inc., representing an ownership interest of 40.0% on the closing date.

Note 13—Share-Based Compensation

(A) RSL Equity Incentive Plans

RSL has three equity incentive plans: the Roivant Sciences Ltd. 2021 Equity Incentive Plan (the "RSL 2021 EIP"), the Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan (the "RSL 2015 EIP"), and the Roivant Sciences Ltd. Amended and Restated 2015 Restricted Stock Unit Plan (the "2015R Plan") (collectively, the "RSL Equity Plans"). The RSL 2021 EIP was approved and adopted in connection with the Business Combination and became effective immediately prior to closing. Since the effective date of the RSL 2021 EIP, no further stock awards have been or will be made under the RSL 2015 EIP. Additionally, no further stock awards will be made under the 2015R Plan. As of March 31, 2023, 104,048,798 of the Company's common shares were reserved for issuance under the RSL 2021 EIP. The number of common shares reserved for issuance under the RSL 2021 EIP will automatically increase on April 1 of each year by an amount equal to the lesser of (i) 5% of the common shares outstanding as of the last day of the immediately preceding fiscal year and (ii) such number of common shares as determined by our board of directors in its discretion. The RSL 2021 EIP has a ten-year term. The Company's employees, directors, and consultants are eligible to receive incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units and other stock awards under the RSL 2021 EIP. At March 31, 2023, a total of 10,875,197 common shares were available for future grants under the RSL 2021 EIP.

Stock Options and Performance Stock Options

Activity for stock options and performance stock options under the RSL Equity Plans for the year ended March 31, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding at March 31, 2022	80,364,904	\$ 11.37	5.50	\$ 1,899
Granted	74,708,623	\$ 3.85		
Exercised	(332,073)	\$ 5.83		
Forfeited/Canceled	(469,663)	\$ 9.71		
Options outstanding at March 31, 2023	154,271,791	\$ 7.75	6.70	\$ 280,171
Options exercisable at March 31, 2023	64,915,881	\$ 11.55	4.05	\$ 15,574

The aggregate intrinsic value is calculated as the difference between the exercise price of all outstanding and exercisable options and the fair value of the Company's common stock at March 31, 2023. At March 31, 2023, total unrecognized compensation expense related to non-vested stock options and performance stock options was approximately \$228.2 million and is expected to be recognized over a weighted-average period of approximately 2.87 years.

At March 31, 2023 and 2022, there were 64,915,881 and 39,236,351 vested stock options and performance stock options, respectively. Vesting for performance stock options was subject to a liquidity event vesting requirement in addition to time-based service requirements. The liquidity event vesting requirement was met upon closing of the Business Combination on September 30, 2021.

The Company estimated the fair value of each stock option on the date of grant using the Black-Scholes closed form option-pricing model applying the weighted average assumptions in the following table. No performance stock options were granted during the years ended March 31, 2023 and 2022.

Assumptions	Years Ended March 31,	
	2023	2022
Expected stock price volatility	85.95%	81.70%
Expected risk free interest rate	2.89%	1.13%
Expected term, in years	6.25	6.25
Expected dividend yield	—%	—%

Additional information regarding stock options and performance stock options is set forth below (in thousands, except per share data).

	Years Ended March 31,	
	2023	2022
Intrinsic value of options exercised	\$ 972	\$ 89
Grant date fair value of options vested	\$ 165,702	\$ 210,487
Weighted-average grant date fair value per share of stock options granted	\$ 2.86	\$ 6.85

Restricted Stock Units and Performance Stock Units

Activity for restricted stock units and performance stock units under the RSL Equity Plans for the year ended March 31, 2023 is as follows:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Non-vested balance at March 31, 2022	21,956,749	\$ 10.63
Granted	11,322,957	\$ 4.23
Vested	(6,880,673)	\$ 9.82
Forfeited	(5,698,245)	\$ 6.95
Non-vested balance at March 31, 2023	20,700,788	\$ 8.30

The total fair value of restricted stock units and performance stock units vested during the years ended March 31, 2023 and 2022 was \$67.6 million and \$59.3 million, respectively. Vesting for both restricted stock units and performance stock units was subject to a liquidity event vesting requirement. Restricted stock units vest upon the achievement of time-based service requirements. The vesting of performance stock units requires that certain performance conditions are achieved during the performance period and is subject to continued service requirements.

At March 31, 2023, total unrecognized compensation expense related to non-vested restricted stock units and performance stock units was approximately \$125.3 million. Unrecognized compensation expense relating to restricted stock units and performance stock units that are deemed probable of vesting is expected to be recognized over a weighted-average period of approximately 2.66 years.

Capped Value Appreciation Rights

March 2020 CVAR Grants

In March 2020, the Company granted capped value appreciation rights (“CVARs”) that will pay at settlement the excess in shares of (a) the lesser of (i) the fair market value of a common share as of the settlement date or (ii) the cap of \$12.68, over (b) the hurdle price of either \$6.40 or \$11.50, as applicable to each grant. For CVARs with the lower hurdle price of \$6.40, in the event the fair market value of a common share is greater than \$6.40 per share but less than \$9.20 per share as of the relevant date of determination (the “Knock-In Condition”), this award of CVARs will remain outstanding unless and until the knock-in condition is satisfied as of any applicable monthly measurement date thereafter before the expiration date of the CVARs. On March 30, 2022, the Company amended the outstanding CVARs that were granted in March 2020. Pursuant to the amendment, in the event any CVARs have satisfied the time-based service and liquidity event vesting requirements (“service-vested CVARs”) but have not satisfied the applicable hurdle price on an applicable measurement date, then such CVARs will be deemed to remain outstanding and the applicable award holder will be provided the right to earn such CVARs if the hurdle price is satisfied on subsequent annual “hurdle measurement dates” prior to the original expiration date of the CVARs, being March 31, 2026. The “hurdle measurement dates” are March 30 of each of years 2023 through 2026. If the hurdle price is not satisfied on any such subsequent annual hurdle measurement date prior to the expiration date of the CVARs, then the CVARs will be forfeited in their entirety on the expiration date. This amendment was accounted for as a modification and resulted in an aggregate of approximately \$16.9 million of incremental fair value. Incremental fair value associated with CVARs that did not require further service for vesting was recognized in full on March 30, 2022. The Company will recognize the incremental fair value for CVARs that require future service for vesting over the remaining requisite service period.

Activity for CVARs under the RSL 2015 EIP for the year ended March 31, 2023 is as follows:

	Number of CVARs	Weighted Average Grant Date Fair Value
Non-service-vested CVARs balance at March 31, 2022	13,798,086	\$ 1.25
Granted	—	\$ —
Service-vested	(11,982,645)	\$ 1.39
Forfeited	—	\$ —
Non-service-vested CVARs balance at March 31, 2023	<u>1,815,441</u>	<u>\$ 1.19</u>

At March 31, 2023 and 2022, there were 30,196,555 and 18,213,910 service-vested CVARs, respectively. The hurdle price and/or, if applicable, Knock-In Condition was not satisfied for these service-vested CVARs and as such they remain outstanding. The total fair value of CVARs that service-vested during the year ended March 31, 2023 and 2022 was \$16.7 million and \$22.3 million, respectively.

At March 31, 2023, total unrecognized compensation expense related to non-service-vested CVARs was approximately \$0.4 million and is expected to be recognized over a weighted-average period of approximately 0.74 years.

November 2021 CVAR Grants

In November 2021, the Company made one-time grants of 6,317,350 CVARs in the aggregate under the RSL 2021 EIP to eligible participants. The CVARs are eligible to vest based on the satisfaction of service-based and performance-based vesting requirements. The performance-based vesting requirement was achieved in December 2021. Vested CVARs will be settled in common shares, up to a specified cap price.

Activity for CVARs under the RSL 2021 EIP for the year ended March 31, 2023 is as follows:

	Number of CVARs	Weighted Average Grant Date Fair Value
Non-vested balance at March 31, 2022	6,285,250	\$ 4.95
Granted	—	\$ —
Vested	(2,627,636)	\$ 4.93
Forfeited	(434,969)	\$ 5.51
Non-vested balance at March 31, 2023	<u>3,222,645</u>	<u>\$ 4.89</u>

The total fair value of CVARs that vested during the year ended March 31, 2023 was \$13.0 million. None of the CVARs granted in November 2021 were vested at March 31, 2022.

At March 31, 2023, total unrecognized compensation expense related to non-vested CVARs was approximately \$5.2 million and is expected to be recognized over a weighted-average period of approximately 2.13 years.

Separation Agreement with former Chairman

In February 2023, the Company entered into a Separation and Mutual Release Agreement with its former Chairman. Pursuant to the terms of this agreement, all non-vested performance stock options were accelerated and deemed fully vested, and the time-based service requirement for all non-vested CVARs was accelerated and deemed satisfied, in each case as of the separation date. Share-based compensation expense included in SG&A expense for the year ended March 31, 2023 includes a reversal of expense of \$20.8 million related to the modification of these awards.

(B) Employee Stock Purchase Plan

In September 2021, the Company adopted the Roivant Sciences Ltd. Employee Stock Purchase Plan (the “RSL ESPP”), which provides eligible employees, as defined by the RSL ESPP, the opportunity to purchase stock under the RSL ESPP at a price equal to 85% of the lower of the closing price on (i) the first trading day, or (ii) the last trading day of each offering period. Contributions under the RSL ESPP are limited to a maximum of 15% of an employee’s base salary during the offering period and an annual maximum of \$25 thousand. The Company opened enrollment in August 2022 for a three-month initial offering period, beginning October 2022, with additional six-month offering periods following thereafter.

As of March 31, 2023, 111,519 common shares have been purchased and issued under the RSL ESPP. Share-based compensation expense recorded was approximately \$0.3 million for the year ended March 31, 2023.

(C) Subsidiary Equity Incentive Plans

Certain subsidiaries of RSL adopt their own equity incentive plan (“EIP”). Each EIP is generally structured so that the applicable subsidiary, and its affiliates’ employees, directors, officers and consultants are eligible to receive non-qualified and incentive stock options, stock appreciation rights, restricted share awards, restricted stock unit awards, and other share awards under their respective EIP. The Company recorded share-based compensation expense of \$49.0 million and \$47.4 million for the years ended March 31, 2023 and 2022, respectively, related to subsidiary EIPs. At March 31, 2023, total unrecognized compensation expense related to subsidiary equity was approximately \$150.3 million.

Note 14—Income Taxes

The loss before income taxes and the related (benefit)/expense are as follows (in thousands):

	Years Ended March 31,	
	2023	2022
Loss before income taxes:		
Bermuda ⁽¹⁾	\$ (48,547)	\$ 390,831
United States	(444,407)	(747,953)
Switzerland	(728,124)	(544,870)
Other	(3,756)	(21,755)
Total income from continuing operations before income taxes	<u>\$ (1,224,834)</u>	<u>\$ (923,747)</u>

(1) Primarily entities which are centrally managed and controlled in the United Kingdom

	Years Ended March 31,	
	2023	2022
Current taxes:		
Bermuda	\$ —	\$ —
United States	5,312	(223)
Switzerland	—	—
Other	(122)	592
Total current tax expense	<u>\$ 5,190</u>	<u>\$ 369</u>
Deferred taxes:		
Bermuda	\$ —	\$ —
United States	—	—
Switzerland	—	—
Other	—	—
Total deferred tax benefit	<u>\$ —</u>	<u>\$ —</u>
Total income tax expense	<u>\$ 5,190</u>	<u>\$ 369</u>

A reconciliation of income tax provision/(benefit) computed at the Bermuda statutory rate to income tax expense reflected in the consolidated financial statements is as follows (in thousands, except percentages):

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	\$	—%	\$	—%
Income tax benefit at Bermuda statutory rate	\$ —	—%	\$ —	—%
Foreign rate differential ⁽¹⁾	(208,440)	17.02%	(179,000)	19.38%
Permanent disallowed IPR&D	17,714	(1.45)%	15,347	(1.66)%
Tax-effect of changes in the fair value of investments and loss from equity method investment	4,118	(0.34)%	15,169	(1.64)%
Nontaxable gain on sale of investment	—	—%	(84,313)	9.13%
Nontaxable gain on deconsolidation of business	(2,378)	0.19%	(958)	0.10%
Nondeductible executive compensation	20,558	(1.68)%	25,973	(2.81)%
Tax deficiencies (excess tax benefits) from share-based compensation	3,311	(0.27)%	12,918	(1.40)%
Other permanent adjustments	13,314	(1.09)%	10,912	(1.18)%
Research tax credits	(14,487)	1.18%	(10,113)	1.09%
Valuation allowance	157,197	(12.83)%	205,811	(22.28)%
Tax rate changes	2,771	(0.22)%	(2,444)	0.26%
Other	11,512	(0.93)%	(8,933)	0.97%
Total income tax expense	<u>\$ 5,190</u>	<u>(0.42)%</u>	<u>\$ 369</u>	<u>(0.04)%</u>

(1) Primarily related to operations in the United States, Switzerland, the United Kingdom, and other jurisdictions with statutory tax rates different than the Bermuda rate.

The Company's effective tax rates for the years ended March 31, 2023 and 2022 was (0.42)% and (0.04)%, respectively, driven by the Company's jurisdictional earnings by location and a valuation allowance that eliminates the Company's global net deferred tax assets.

Deferred taxes reflect the tax effects of the differences between the amounts recorded as assets and liabilities for financial reporting purposes and the comparable amounts recorded for income tax purposes. Significant components of the deferred tax assets (liabilities) at March 31, 2023 and 2022 are as follows (in thousands):

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Deferred tax assets		
Research tax credits	\$ 37,559	\$ 27,155
Intangible assets	52,857	61,544
Capitalized research and development	37,252	—
Net operating loss	422,613	312,749
Share-based compensation	105,343	93,177
Lease liabilities	15,521	15,406
Other assets	25,959	20,651
Subtotal	<u>697,104</u>	<u>530,682</u>
Valuation allowance	(674,517)	(512,736)
Deferred tax liabilities		
Depreciation	(1,798)	(1,397)
Right-of-use assets	(12,959)	(12,661)
Other liabilities	(7,830)	(3,888)
Total deferred tax assets/(liabilities)	<u>\$ —</u>	<u>\$ —</u>

The Company has Federal net operating losses in Switzerland, the United States, the United Kingdom and other jurisdictions in the amount of \$2,626.5 million, \$231.1 million, \$63.8 million, and \$67.7 million, respectively. The Switzerland net operating losses will expire in varying amounts between March 31, 2025 and March 31, 2030. The United States net operating losses can be carried forward indefinitely with utilization limited to 80% of future taxable income for tax years beginning on or after January 1, 2021, while the United Kingdom and other net operating losses can be carried forward indefinitely as well, with an annual limitation on utilization. The Company has generated net operating losses from United States state and local jurisdictions in the amount of \$94.2 million which will expire in varying amounts between March 31, 2038 and March 31, 2043. The Company has generated \$37.6 million of research tax credit carryforwards primarily in the United States and Canada, which will expire in varying amounts between March 31, 2037 and March 31, 2043.

The Company assesses the realizability of the deferred tax assets at each balance sheet date based on available positive and negative evidence in order to determine the amount which is more likely than not to be realized and record a valuation allowance as necessary. Due to the Company's cumulative loss position which provides significant negative evidence difficult to overcome, the Company has recorded a valuation allowance of \$674.5 million as of March 31, 2023, representing the portion of the deferred tax asset that is not more likely than not to be realized. For the period April 1, 2022 through March 31, 2023, the valuation allowance increased by \$161.8 million, primarily as a result of corresponding increases in our global net operating losses, as well as increased costs related to share-based compensation. The amount of the deferred tax asset considered realizable could be adjusted for future factors that would impact the assessment of the objective and subjective evidence of the Company. The Company will continue to assess the realizability of deferred tax assets at each balance sheet date in order to determine the amount, if any, required for a valuation allowance.

There are outside basis differences related to the Company's investment in subsidiaries for which no deferred taxes have been recorded as these would not be subject to tax on repatriation as Bermuda has no tax regime for Bermuda exempted limited companies, and the United Kingdom tax regime relating to company distributions and sales generally provides for exemption from tax for most overseas profits, subject to certain exceptions.

The Company is subject to tax and is required to file United States, United Kingdom, and Switzerland federal income tax returns, as well as income tax returns in various state, local, and foreign jurisdictions. The Company is subject to tax examinations for tax years ended March 31, 2018 and forward in major taxing jurisdictions. Tax audits and examinations can involve complex issues, interpretations, and judgments. The resolution of matters may span multiple years particularly if subject to litigation or negotiation. The Company believes it has appropriately recorded its tax position using reasonable estimates and assumptions, however, the potential tax benefits may impact the results of operations or cash flows in the period of resolution, settlement or when the statutes of limitations expire.

The Company's unrecognized tax benefit activity during the years ended March 31, 2023 and 2022 was not material to the Company's consolidated financial statements. No interest and penalties related to unrecognized tax benefits were recorded as of March 31, 2023 or March 31, 2022.

The Company's leases consist primarily of real estate leases, including those entered into by certain wholly owned and majority-owned or controlled subsidiaries of RSL.

The components of operating lease expense for the Company were as follows (in thousands):

	Years Ended March 31,	
	2023	2022
Operating lease cost	\$ 12,045	\$ 13,649
Short-term lease cost	1,623	326
Variable lease cost	2,151	1,227
Total operating lease cost	<u>\$ 15,819</u>	<u>\$ 15,202</u>

The components of finance lease expense for the Company were as follows (in thousands):

	Year Ended March 31, 2023
Amortization of right-of-use assets	\$ 454
Interest on lease liabilities	102
Total finance lease cost	<u>\$ 556</u>

Information related to the Company's lease right-of-use assets and lease liabilities was as follows (in thousands, except periods and percentages):

	During the Year Ended March 31,	
	2023	2022
Operating leases:		
Cash paid for operating lease liabilities	\$ 13,109	\$ 14,403
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ 4,224	\$ 6,035
Finance leases:		
Operating cash flows from finance leases	\$ 61	\$ —
Financing cash flows from finance leases	\$ 692	\$ —
Finance lease right-of-use assets obtained in exchange for finance lease liabilities	\$ 6,338	\$ —
	March 31, 2023	March 31, 2022
Weighted average remaining lease term (in years)		
Operating leases	8.4	9.0
Finance leases	3.1	—
Weighted average discount rate		
Operating leases	7.9%	7.0%
Finance leases	8.3%	—%

Amounts recognized in the accompanying consolidated balance sheets related to the finance leases were as follows (in thousands):

	Balance Sheet Classification	March 31, 2023
Finance lease right-of-use assets	Property and equipment, net	\$ 5,885
Finance lease liabilities, current	Other current liabilities	\$ 2,090
Finance lease liabilities, non-current	Other liabilities	\$ 3,574

As of March 31, 2023, maturities of lease liabilities were as follows (in thousands):

Years Ending March 31,	Operating leases	Finance leases
2024	\$ 13,588	\$ 2,199
2025	11,425	2,119
2026	10,279	1,730
2027	9,488	252
2028	9,515	168
Thereafter	43,107	—
Total lease payments	97,402	6,468
Less: present value adjustment	(27,021)	(804)
Less: tenant improvement allowance	(5,212)	—
Total lease liabilities	\$ 65,169	\$ 5,664

Note 16—Commitments and Contingencies

(A) Commitments

Long-Term Debt

The Company is obligated to make contractual payments related to its long-term debt. Refer to Note 9, “Long-Term Debt” for further information.

Lease Commitments

The Company has leases, consisting primarily of real estate leases. Refer to Note 15, “Leases” for further information.

Other Commitments

In conjunction with Dermavant’s entry into the GSK Agreement in 2018, Dermavant entered into a clinical supply agreement pursuant to which GSK would provide a supply of tapinarof and clinical product at an agreed upon price during the Company’s clinical trials. In April 2019, Dermavant entered into a commercial supply agreement with GSK to continue to provide certain quantities of tapinarof and commercial product at agreed upon minimum quantities and price. The commercial supply agreement commenced in April 2022 upon completion of certain quality and regulatory conditions. In July 2022, Dermavant and GSK amended the terms of the clinical supply and commercial supply agreements which released GSK of certain commitments to supply tapinarof and released Dermavant of certain commitments to purchase tapinarof in exchange for a supplementary fee. Other supply and purchase commitments under the agreements remain in effect. In addition, Dermavant and Thermo Fisher Scientific (“TFS”) entered into a Commercial Manufacturing and Supply Agreement for which TFS agreed to provide a supply of tapinarof to Dermavant at an agreed upon price. The agreements discussed above require Dermavant to purchase certain quantities of inventory over a period of five years. As of March 31, 2023, the minimum purchase commitment related to these agreements is estimated to be approximately \$38.0 million.

In November 2021, the Company’s subsidiary, Immunovant, entered into a Product Service Agreement with Samsung Biologics Co., Ltd. (“Samsung”) by which Samsung will manufacture and supply Immunovant with batoclimab drug substance for commercial sale and perform other manufacturing-related services with respect to batoclimab. As of March 31, 2023, the minimum purchase commitment related to this agreement is estimated to be approximately \$33.3 million.

In May 2021, the Company entered into a master subscription agreement with Palantir Technologies Inc. (“Palantir”) for access to Palantir’s proprietary software for a five-year period. As of March 31, 2023, the remaining minimum payments for this software subscription are \$30.0 million.

The Company, primarily through its subsidiaries, has entered into commitments under various asset acquisition and license agreements. Additionally, the Company, through its subsidiaries, enters into agreements with contract service providers to assist in the performance of its R&D activities. Expenditures to contract research organizations and contract manufacturing organizations represent significant costs in the clinical development of its product candidates. Subject to required notice periods and certain obligations under binding purchase orders, the Company can elect to discontinue the work under these agreements at any time. The Company expects to enter into additional collaborative research, contract research, manufacturing, and supplier agreements in the future, which may require upfront payments and long-term commitments of capital resources.

(B) Loss Contingencies

The Company may be, from time to time, a party to various disputes and claims arising from normal business activities. The Company accrues for loss contingencies when available information indicates that it is probable that a liability has been incurred and the amount of such loss can be reasonably estimated, and if the Company believes that a reasonably possible loss exists, the Company discloses the facts and circumstances of the litigation or claim, including an estimable range, if possible.

Immunovant Securities Litigation

In February 2021, a putative securities class action complaint was filed against Immunovant and certain of its current and former officers in the U.S. District Court for the Eastern District of New York on behalf of a class consisting of those who acquired Immunovant's securities from October 2, 2019 and February 1, 2021. The complaint alleged that Immunovant and certain of its officers violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, by making false and misleading statements regarding the safety of batoclimab and sought unspecified monetary damages on behalf of the putative class and an award of costs and expenses, including reasonable attorneys' fees. In December 2021, the U.S. District Court appointed a lead plaintiff. In March 2022, the lead plaintiff filed an amended complaint adding both (i) the Company and (ii) Immunovant's directors and underwriters as defendants, and asserting additional claims under Section 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended, on behalf of a putative class consisting of those who purchased or otherwise acquired Immunovant's securities pursuant and/or traceable to Immunovant's follow-on public offering on or about September 2, 2020. In February 2023, after further briefing on the amended complaint the U.S. District Court issued an order permitting the lead plaintiff to file a second amended complaint. That second amended complaint was filed in March 2023. The defendants' motions to dismiss were filed in May 2023. No hearing date has yet been set. The Company intends to continue to vigorously defend the case and has not recorded a liability related to this lawsuit because, at this time, the Company is unable to reasonably estimate possible losses or determine whether an unfavorable outcome is either probable or remote.

Acuitas Declaratory Judgment Action

In March 2022, Acuitas Therapeutics Inc. filed a lawsuit in the U.S. District Court for the Southern District of New York against two of the Company's affiliates, Genevant and Arbutus, seeking a declaratory judgment that U.S. Patents 8,058,069, 8,492,359, 8,822,668, 9,006,417, 9,364,435, 9,404,127, 9,504,651, 9,518,272 and 11,141,378 are not infringed by the manufacture, use, offer for sale, sale or importation into the United States of COMIRNATY, Pfizer's and BioNTech's vaccine for COVID-19 and are otherwise invalid. On September 6, 2022, Acuitas filed a First Amended Complaint. In response, on October 4, Genevant and Arbutus filed a motion to dismiss the first amended complaint for lack of a controversy and supporting brief. Briefing on this motion was completed in mid-November. Each of Genevant and Arbutus intends to continue to vigorously defend the case.

(C) Indemnification Agreements

The Company is a party to a number of agreements entered into in the ordinary course of business that contain typical provisions that obligate the Company to indemnify the other parties to such agreements upon the occurrence of certain events. The aggregate maximum potential future liability of the Company under such indemnification provisions is uncertain. The Company also indemnifies each of its directors and officers for certain events or occurrences, subject to certain limits. The maximum amount of potential future indemnification is unlimited; however, the Company currently maintains director and officer liability insurance, which may cover certain liabilities arising from the Company's obligation to indemnify its directors and officers. To date, the Company has not incurred any material costs related to these indemnification obligations and has not accrued any liabilities related to such obligations in the consolidated financial statements as of March 31, 2023 and 2022.

Recurring Fair Value Measurements

The following table sets forth the Company's assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2023 and 2022, by level, within the fair value hierarchy (in thousands):

	As of March 31, 2023				As of March 31, 2022			
	Level 1	Level 2	Level 3	Balance as of March 31, 2023	Level 1	Level 2	Level 3	Balance as of March 31, 2022
Assets:								
Money market funds	\$ 1,496,726	\$ —	\$ —	\$ 1,496,726	\$ 1,297,844	\$ —	\$ —	\$ 1,297,844
Investment in Datavant Class								
A units	—	—	178,579	178,579	—	—	193,963	193,963
Investment in Arbutus common shares	117,708	—	—	117,708	115,765	—	—	115,765
Other investments	8,030	—	—	8,030	16,106	—	—	16,106
Total assets at fair value	\$ 1,622,464	\$ —	\$ 178,579	\$ 1,801,043	\$ 1,429,715	\$ —	\$ 193,963	\$ 1,623,678
Liabilities:								
Debt issued by Dermavant to NovaQuest	\$ —	\$ —	\$ 207,640	\$ 207,640	\$ —	\$ —	\$ 177,400	\$ 177,400
Liability instruments measured at fair value ⁽¹⁾	29,895	—	33,651	63,546	18,019	—	26,893	44,912
Total liabilities at fair value	\$ 29,895	\$ —	\$ 241,291	\$ 271,186	\$ 18,019	\$ —	\$ 204,293	\$ 222,312

- (1) At March 31, 2023, Level 1 includes the fair value of the Public Warrants of \$29.9 million, and Level 3 includes the fair value of the Earn-Out Shares of \$15.2 million, Private Placement Warrants of \$15.2 million, and other liability instruments issued of \$3.3 million. At March 31, 2022, Level 1 includes the fair value of the Public Warrants of \$18.0 million, and Level 3 includes the fair value of the Earn-Out Shares of \$9.2 million, Private Placement Warrants of \$9.1 million, and other liability instruments issued of \$8.6 million.

There were no transfers of assets between Level 1 and Level 2 of the fair value measurement hierarchy that occurred during the years ended March 31, 2023 and 2022.

Level 3 Disclosures

The Company measures its Level 3 assets and liabilities at fair value based on significant inputs not observable in the market, which causes them to be classified as a Level 3 measurement within the fair value hierarchy. The valuation of the Level 3 assets and liabilities uses assumptions and estimates the Company believes would be made by a market participant in making the same valuation. The Company assesses these assumptions and estimates on an ongoing basis as additional data impacting the assumptions and estimates are obtained. Changes in the fair value related to updated assumptions and estimates are recorded within the consolidated statements of operations at the end of each reporting period.

The fair value of Level 3 assets and liabilities may change significantly as additional data are obtained, impacting the Company's assumptions regarding probabilities of potential scenarios used to estimate fair value. In evaluating this information, considerable judgment is required to interpret the data used to develop the assumptions and estimates. Accordingly, the use of different market assumptions and/or different valuation techniques may have a material effect on the estimated fair value amounts, and such changes could materially impact the Company's results of operations in future periods.

The changes in fair value of the Level 3 assets during the years ended March 31, 2023 and 2022 were as follows (in thousands):

Balance at March 31, 2021	\$ —
Fair value of investment in Datavant at recognition date	224,147
Changes in fair value of investment in Datavant, included in net loss	(30,184)
Balance at March 31, 2022	193,963
Changes in fair value of investment in Datavant, included in net loss	(15,384)
Balance at March 31, 2023	\$ 178,579

The changes in fair value of the Level 3 liabilities during the years ended March 31, 2023 and 2022 were as follows (in thousands):

Balance at March 31, 2021	\$ 217,993
Fair value of liability instrument issued	38,634
Changes in fair value of debt and liability instruments, included in net loss	9,226
Settlements	(88)
Termination of Sumitomo Options	(61,472)
Balance at March 31, 2022	<u>204,293</u>
Fair value of liability instrument issued	248
Payments related to long-term debt	(29,375)
Changes in fair value of debt and liability instruments, included in net loss	66,125
Balance at March 31, 2023	<u><u>\$ 241,291</u></u>

Investment in Datavant

The Company elected the fair value option to account for the investment in Datavant. The estimate of fair value for this investment was determined using the income approach and implementation of the option pricing method (“OPM”). The OPM allows for the allocation of a company’s equity value among the various equity capital owners (preferred and common shareholders). The OPM uses the preferred shareholders’ liquidation preferences, participation rights, dividend policy, and conversion rights to determine how proceeds from a liquidity event shall be distributed among the various ownership classes at a future date. The fair value was calculated using significant unobservable inputs including the following:

Input	Point Estimate Used	
	As of March 31, 2023	As of March 31, 2022
Volatility	100.0%	110.0%
Risk-free rate	4.02%	1.62%

Debt issued by Dermavant to NovaQuest

The fair value of the debt instrument as of March 31, 2023 and 2022 represents the fair value of amounts payable to NovaQuest calculated using the Monte Carlo simulation method under the income approach determined by using probability assessments of the expected future payments through 2032. The future payments are based on significant inputs that are not observable in the market which are subject to remeasurement at each reporting date. The estimates of fair value may not be indicative of the amounts that could ultimately be paid by Dermavant to NovaQuest.

Earn-Out Shares

The fair value of the Earn-Out Shares issued as part of the Business Combination was calculated using the Monte Carlo simulation method under the income approach. The model was structured to include the lock-up periods to which the Earn-Out Shares are subject. Refer to Note 8, “Business Combination with MAAC” for additional details. Significant unobservable inputs used to calculate the fair value of the Earn-Out Shares included the following:

Input	Point Estimate Used	
	As of March 31, 2023	As of March 31, 2022
Volatility	79.9%	82.3%
Risk-free rate	3.76%	2.43%

As of March 31, 2023 and 2022, the fair value of the Earn-Out Shares was \$15.2 million and \$9.2 million, respectively. Earn-Out Shares were included in “Liability instruments measured at fair value” in the accompanying consolidated balance sheets.

Private Placement Warrants

The fair value of the Private Placement Warrants issued as part of the Business Combination was calculated using the Monte Carlo simulation method under the income approach. The model was structured to incorporate the redemption features as discussed in Note 8, “Business Combination with MAAC” and the added restriction by which the Company cannot redeem the Private Placement Warrants if the Reference Value is greater than \$18.00. Significant unobservable inputs used to calculate the fair value of the Private Placement Warrants included the following:

Input	Point Estimate Used	
	As of March 31, 2023	As of March 31, 2022
Volatility	50.5%	56.5%
Risk-free rate	3.76%	2.43%
Term (in years)	3.50	4.50

As of March 31, 2023 and 2022, the fair value of the Private Placement Warrants was \$15.2 million and \$9.1 million, respectively. The Private Placement Warrants were included in “Liability instruments measured at fair value” in the accompanying consolidated balance sheets.

Note 18—Net (Loss) Income per Common Share

Basic net (loss) income per common share is computed by dividing net (loss) income attributable to Roivant Sciences Ltd. by the weighted-average number of common stock outstanding during the period. Diluted net (loss) income per common share is computed by dividing the net (loss) income attributable to Roivant Sciences Ltd. by the diluted weighted-average number of common stock outstanding during the period.

For periods of loss from continuing operations, diluted loss per share is calculated similar to basic loss per share as the effect of including all potentially dilutive common stock equivalents is anti-dilutive. All outstanding common stock equivalents have been excluded from the computation of diluted loss per share because their effect was anti-dilutive due to the loss from continuing operations.

As of March 31, 2023 and 2022, potentially dilutive securities were as follows:

	March 31, 2023	March 31, 2022
Stock options and performance stock options	154,271,791	80,364,904
Restricted stock units and performance stock units (non-vested)	20,700,788	21,956,749
March 2020 CVARs ⁽¹⁾	32,011,996	32,011,996
November 2021 CVARs (non-vested)	3,222,645	6,285,250
Restricted common stock (non-vested)	689,026	741,405
Earn-Out Shares (non-vested)	3,080,387	3,080,387
Private Placement Warrants	10,214,365	10,214,365
Public Warrants	20,475,875	20,475,875
Other stock based awards and instruments issued	6,122,842	5,103,577

(1) Refer to Note 13, “Share-Based Compensation” for details regarding settlement of CVARs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer, our Principal Financial Officer and our Principal Accounting Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2023 and concluded that our disclosure controls and procedures were effective as of that date. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive, principal financial and principal accounting officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management’s Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Internal control over financial reporting is a process that (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including our chief executive officer and chief financial officer, has assessed the effectiveness of our internal control over financial reporting as of March 31, 2023, based on the framework set forth in Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of our evaluation, management concluded that our internal control over financial reporting was effective as of March 31, 2023.

Our independent registered public accounting firm, Ernst & Young LLP, was not required to perform an evaluation of our internal control over financial reporting as of March 31, 2023 because as an “emerging growth company” we are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the year ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as set forth below, the information required by this Item is incorporated by reference from our definitive proxy statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended March 31, 2023.

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. A current copy of the code is posted on the Corporate Governance section of our website, which is located at investor.roivant.com/corporate-governance. If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for our principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions, or any officer or director, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from our definitive proxy statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended March 31, 2023.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference from our definitive proxy statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended March 31, 2023.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from our definitive proxy statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended March 31, 2023.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated by reference from our definitive proxy statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended March 31, 2023.

PART IV**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements:

For a list of the consolidated financial statements included herein, see “Index to Consolidated Financial Statements” under Part I, Item 8 of this Annual Report on Form 10-K.

2. Financial Statement Schedules:

All schedules have been omitted because of the absence of conditions under which they are required or because the required information, where material, is shown in the financial statements, financial notes or supplementary financial information.

(b) Exhibits required by Item 601 of Regulation S-K:

The exhibits listed in the accompanying Exhibit Index are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K.

ITEM 16. FORM 10-K SUMMARY

None.

Exhibit Number	Description	Exhibits			Filing Date
		Incorporated by Reference			
		Form	File No.	Exhibit	
2.1*	Business Combination Agreement, dated as of May 1, 2021, by and among Montes Archimedes Acquisition Corp., Roivant Sciences Ltd. and Rhine Merger Sub, Inc.	10-K	001-40782	2.1	June 28, 2022
2.2#*	Agreement and Plan of Merger, dated as of February 2, 2021, by and among Roivant Sciences Ltd., Silicon Insite, Inc., Silicon TX China, Silicon Therapeutics, LLC and Silicon SWAT, Inc.	S-4/A	333-256165	2.2	July 1, 2021
2.3#*	Stock Purchase Agreement, dated as of November 6, 2020, by and among Oncopia Therapeutics, Inc., Pharmavant 5, Inc., certain selling securityholders and certain seller representatives	S-4/A	333-256165	2.3	July 1, 2021
2.4#*	Amendment No. 1 to the Stock Purchase Agreement, dated as of November 17, 2020, by and among Oncopia Therapeutics, Inc., Pharmavant 5, Inc., certain selling securityholders and WRYP Stockholders Services, LLC	S-4/A	333-256165	2.4	July 1, 2021

Exhibit Number	Description	Incorporated by Reference			Filing Date
		Form	File No.	Exhibit	
2.5*	Transaction Agreement, dated as of October 31, 2019, by and among Sumitomo Dainippon Pharma Co., Ltd., Vant Alliance Ltd., Roivant Sciences Ltd., Enzyvant Therapeutics Ltd., Altavant Sciences Ltd. and Spirovant Sciences Ltd.	SC 13D/A	—	7.04	November 4, 2019
2.6#*	Asset Purchase Agreement, dated as of July 10, 2018, by and among GlaxoSmithKline Intellectual Property Development Ltd., Glaxo Group Limited and Dermavant Sciences GmbH	S-4	333-256165	2.6	May 14, 2021
2.7#*	Asset Purchase Agreement, dated as of May 29, 2012, by and between Glaxo Group Limited and Welichem Biotech Inc.	S-4	333-256165	2.7	May 14, 2021
2.8#*	First Amendment to the Asset Purchase Agreement, dated as of August 31, 2012, by and between Glaxo Group Limited and Welichem Biotech, Inc.	S-4	333-256165	2.8	May 14, 2021
2.9*	Amendment No. 1 to the Business Combination Agreement, dated June 9, 2021, by and among Montes Archimedes Acquisition Corp., Roivant Sciences Ltd. and Rhine Merger Sub, Inc.	10-K	001-40782	2.9	June 28, 2022
3.1*	Memorandum of Association of Roivant Sciences Ltd.	S-4/A	333-256165	3.1	July 1, 2021
3.2*	Amended and Restated Bye-laws of Roivant Sciences Ltd.	8-K	001-40782	3.1	October 1, 2021
4.1*	Warrant Agreement between Continental Stock Transfer & Trust Company and Montes Archimedes Acquisition Corp.	8-K	001-39597	4.1	October 13, 2020
4.2*	Specimen Ordinary Share Certificate of Roivant Sciences Ltd.	S-4/A	333-256165	4.5	August 3, 2021
4.3*	Specimen Warrant Certificate of Roivant Sciences Ltd.	S-4/A	333-256165	4.6	August 3, 2021
4.4*	Form of Warrant Assumption Agreement, by and between Montes Archimedes Acquisition Corp., Roivant Sciences Ltd. and American Stock Transfer & Trust Company, LLC	S-4/A	333-256165	4.7	August 3, 2021
4.5	Description of Registrant’s Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	—	—	—	Filed herewith

Exhibit Number	Description	Incorporated by Reference			Filing Date
		Form	File No.	Exhibit	
10.1*	Third Amended and Restated Registration Rights Agreement, dated as of May 1, 2021, by and among Roivant Sciences Ltd. and the parties thereto	10-K	001-40782	10.1	June 28, 2022
10.2*	Sponsor Support Agreement, dated as of May 1, 2021, by and among Roivant Sciences Ltd., Montes Archimedes Acquisition Corp., Patient Square Capital LLC and certain shareholders of Roivant Sciences Ltd.	10-K	001-40782	10.3	June 28, 2022
10.3*	Form of Transaction Support Agreement, dated as of May 1, 2021, by and among Roivant Sciences Ltd., Montes Archimedes Acquisition Corp. and certain shareholders of Roivant Sciences Ltd.	10-K	001-40782	10.4	June 28, 2022
10.4*	Investment Management Trust Agreement between Continental Stock Transfer & Trust Company and Montes Archimedes Acquisition Corp.	8-K	001-39597	10.1	October 13, 2020
10.5#*	License Agreement, dated as of December 19, 2017, by and between HanAll Biopharma Co., Ltd. and Roivant Sciences GmbH	8-K	001-38906	10.6	December 20, 2019
10.6#*	Collaboration and License Agreement, dated as of January 15, 2020, by and between Dermavant Sciences GmbH and Japan Tobacco Inc.	S-4	333-256165	10.7	May 14, 2021
10.7#*	Clinical Manufacturing and Supply Agreement, dated August 20, 2018, by and between Dermavant Sciences GmbH and GlaxoSmithKline Trading Services Limited	S-4	333-256165	10.8	May 14, 2021
10.8#*	Commercial Manufacturing and Supply Agreement, dated April 1, 2019, by and between Dermavant Sciences GmbH and GlaxoSmithKline Trading Services Limited	S-4	333-256165	10.9	May 14, 2021

Exhibit Number	Description	Incorporated by Reference			Filing Date
		Form	File No.	Exhibit	
10.9#*	Funding Agreement, dated as of July 10, 2018, by and between Dermavant Sciences GmbH and NovaQuest Co-Investment Fund VIII, L.P.	S-4	333-256165	10.10	May 14, 2021
10.10#*	First Amendment to Funding Agreement, dated as of October 11, 2018, by and between Dermavant Sciences GmbH and NovaQuest Co-Investment Fund VIII, L.P.	S-4	333-256165	10.11	May 14, 2021
10.11#*	Cross License Agreement, dated as of April 11, 2018, by and between Genevant Sciences Ltd. and Arbutus Biopharma Corporation	10-Q	001-34949	10.3	August 7, 2020
10.12#*	First Amendment to Cross License Agreement, dated as of June 27, 2018, by and among Genevant Sciences Ltd., Genevant Sciences GmbH and Arbutus Biopharma Corporation	10-Q	001-34949	10.4	August 7, 2020
10.13#*	Second Amendment to Cross License Agreement, dated as of June 27, 2018, by and among Genevant Sciences Ltd., Genevant Sciences GmbH and Arbutus Biopharma Corporation	10-Q	001-34949	10.5	August 7, 2020
10.14#*	Research Agreement, dated as of January 1, 2018, by and between Oncopia Therapeutics, LLC and the Regents of the University of Michigan	S-4/A	333-256165	10.20	July 1, 2021
10.15#*	Fifth Amendment to the Sponsored Research Agreement, dated as of November 19, 2020, by and between Oncopia Therapeutics, Inc. and the Regents of the University of Michigan	S-4/A	333-256165	10.21	July 1, 2021
10.16#*	Amended and Restated Patent License Agreement, dated as of November 16, 2020, by and between Oncopia Therapeutics, Inc. and the Regents of the University of Michigan	S-4/A	333-256165	10.22	July 1, 2021
10.17#*	Investors' Rights Agreement, dated as of January 11, 2021, by and among Pharmavant 5, Inc., Roivant Sciences Ltd. and SK Holdings Co., Ltd.	S-4/A	333-256165	10.23	July 1, 2021

Exhibit Number	Description	Incorporated by Reference			Filing Date
		Form	File No.	Exhibit	
10.18*	Form of Indemnity Agreement	S-4/A	333-256165	10.24	July 1, 2021
10.19*^	Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan	S-4	333-256165	10.25	May 14, 2021
10.20*^	Roivant Sciences Ltd. 2021 Equity Incentive Plan	S-8	333-260173	99.1	October 8, 2021
10.21*^	Executive Employment Agreement between Roivant Sciences, Inc. and Matthew Gline, dated as of May 14, 2021	S-4	333-256165	10.28	May 14, 2021
10.22*^	Executive Employment Agreement between Roivant Sciences, Inc. and Eric Venker, dated as of May 14, 2021	S-4	333-256165	10.29	May 14, 2021
10.23#*	Credit Agreement by and among Dermavant Sciences Ltd., Dermavant Holdings Limited, Dermavant Sciences IRL Limited, Dermavant Sciences GmbH, certain subsidiaries of Dermavant Sciences Ltd., XYQ Luxco S.A.R.L. and U.S. Bank National Association, as collateral agent, dated as of May 14, 2021	S-4/A	333-256165	10.31	July 1, 2021
10.24#*	Revenue Interest Purchase and Sale Agreement by and among Dermavant Sciences GmbH, certain purchasers and U.S. Bank National Association as collateral agent, dated as of May 14, 2021	S-4/A	333-256165	10.32	July 1, 2021
10.25*	Amendment No. 1 to the Support Agreement, dated as of June 9, 2021, by and among Roivant Sciences Ltd., Montes Archimedes Acquisition Corp., Patient Square Capital LLC and certain shareholders of Roivant Sciences Ltd.	10-K	001-40782	10.28	June 28, 2022

Exhibit Number	Description	Incorporated by Reference			Filing Date
		Form	File No.	Exhibit	
10.26*	Amendment No. 2 to the Support Agreement, dated as of September 30, 2021, by and among Roivant Sciences Ltd., Montes Archimedes Acquisition Corp., Patient Square Capital LLC and certain shareholders of Roivant Sciences Ltd.	8-K	001-40782	10.1	October 1, 2021
10.27^	Amended & Restated Roivant Sciences Ltd. Employee Stock Purchase Plan	—	—	—	Filed herewith
10.28#*	Third Amendment to Cross License Agreement, dated December 9, 2021, by and between Genevant Sciences GmbH and Arbutus Biopharma Corporation	S-1	333-261853	10.37	December 22, 2021
10.29#†*	Exclusive License Agreement, dated as of November 24, 2021, by and between Eisai Co. Ltd and Pharmavant 7 GmbH	10-Q	001-40782	10.1	February 14, 2022
10.30#†*	Investor Rights Agreement, dated as of September 13, 2021, by and among Priovant Holdings, Inc., Roivant Sciences Ltd. and Pfizer Inc.	10-K	001-40782	10.36	June 28, 2022
10.31#†*	License and Collaboration Agreement, dated as of September 13, 2021, by and between Pfizer Inc. and Priovant, Inc.	10-K	001-40782	10.37	June 28, 2022
10.32#*	Amendment No. 1 to License and Collaboration Agreement, dated as of June 10, 2022, by and between Pfizer Inc. and Priovant, Inc.	10-K	001-40782	10.38	June 28, 2022
10.33^*	Employment Agreement between Roivant Sciences, Inc. and Mayukh Sukhatme, dated as of May 19, 2020	S-1/A	333-26	10.39	July 28, 2022
10.34#†*	Partial Termination and Supplementary Fee Agreement relating to the Clinical Supply Agreement and Commercial Supply Agreement, dated as of July 25, 2022, by and between GlaxoSmithKline Trading Services Limited and Dermavant Sciences GmbH	10-Q	001-40782	10.1	November 14, 2022
10.35#†*	Master Commercial Manufacturing Supply Agreement, dated as of July 1, 2022, by and between Dermavant Sciences GmbH and Thermo Fisher Scientific Cork Limited	10-Q	001-40782	10.2	November 14, 2022
10.36#†*	License and Collaboration Agreement dated as of November 21, 2022	10-Q	001-40782	10.1	February 13, 2023
10.37#†*	Investor Rights Agreement dated as of November 21, 2022	10-Q	001-40782	10.2	February 13, 2023
10.38*	Common Shares Sales Agreement	S-3	333-267503	1.2	September 19, 2022
10.39	Form of Stock Option Grant Notice under the Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan	—	—	—	Filed herewith
10.40	Form of Restricted Stock Unit Award Grant Notice under the Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan	—	—	—	Filed herewith
10.41	Form of Performance Option Grant Notice under the Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan	—	—	—	Filed herewith
10.42	Form of Capped Value Appreciation Right Award Grant Notice under the Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan	—	—	—	Filed herewith
10.43	Form of Stock Option Grant Notice under the Roivant Sciences Ltd. 2021 Equity Incentive Plan	—	—	—	Filed herewith

Exhibit Number	Description	Incorporated by Reference			Filing Date
		Form	File No.	Exhibit	
10.44	Form of Restricted Stock Unit Award Grant Notice under the Roivant Sciences Ltd. 2021 Equity Incentive Plan	—	—	—	Filed herewith
10.45	Separation and Mutual Release Agreement	—	—	—	Filed herewith
21.1	List of Subsidiaries of Roivant Sciences Ltd.	—	—	—	Filed herewith

Exhibit Number	Description	Incorporated by Reference			Filing Date
		Form	File No.	Exhibit	
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm of Roivant Sciences Ltd.	—	—	—	Filed herewith
24.1	Power of Attorney (included on signature page)	—	—	—	Filed herewith
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
101.INS	Inline XBRL Instance Document	—	—	—	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	—	—	—	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	—	—	—	Filed herewith

Portions of this exhibit have been omitted because they are both (i) not material and (ii) would likely cause competitive harm to Roivant Sciences Ltd. if publicly disclosed.

‡ Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule upon request by the Securities and Exchange Commission.

* Previously filed.

** In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management’s Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed “filed” for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

^ Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K pursuant to Item 15(b).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Roivant Sciences Ltd.

Date: June 28, 2023

By: /s/ Matt Maisak
 Name: Matt Maisak
 Title: Authorized Signatory

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard Pulik, Jo Chen and Matt Maisak, as their true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to the Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Matthew Gline</u> Matthew Gline	Chief Executive Officer and Director (Principal Executive Officer)	June 28, 2023
<u>/s/ Richard Pulik</u> Richard Pulik	Chief Financial Officer (Principal Financial Officer)	June 28, 2023
<u>/s/ Rakhi Kumar</u> Rakhi Kumar	Chief Accounting Officer (Principal Accounting Officer)	June 28, 2023
<u>/s/ Melissa Epperly</u> Melissa Epperly	Director	June 28, 2023
<u>/s/ Keith Manchester</u> Keith Manchester	Director	June 28, 2023
<u>/s/ Ilan Oren</u> Ilan Oren	Director	June 28, 2023
<u>/s/ Daniel Gold</u> Daniel Gold	Director	June 28, 2023
<u>/s/ Hiroshi Nomura</u> Hiroshi Nomura	Director	June 28, 2023
<u>/s/ Meghan FitzGerald</u> Meghan FitzGerald	Director	June 28, 2023
<u>/s/ James C. Momtazee</u> James C. Momtazee	Director	June 28, 2023

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of March 31, 2023, Roivant Sciences Ltd. (the "Company," "Roivant" or "we") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) common shares and (2) warrants.

The following description of the common shares and warrants is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our memorandum of association, our amended and restated bylaws and our warrant agreement, each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.5 is a part. We encourage you to read our memorandum of association, our bylaws and our warrant agreement.

Terms not otherwise defined herein shall have the meaning assigned to them in the Annual Report on Form 10-K of which this Exhibit 4.5 is a part.

Description of Share Capital

Immediately following the closing of our business combination with Montes Archimedes Acquisition Corp. (the "Business Combination") and after giving effect to the subdivision of common shares, our authorized share capital consists of 7,000,000,000 common shares. As of June 26, 2023, we had 766,811,433 common shares issued and outstanding. All of the currently issued and outstanding common shares are fully paid. Pursuant to our amended and restated bye-laws, subject to the requirements of the Nasdaq, and to any resolution of the shareholders to the contrary, our board of directors is authorized to issue any of our authorized but unissued shares. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote our shares provided common shares remain listed on an appointed stock exchange, which includes Nasdaq.

General

Holders of common shares have no pre-emptive, redemption, conversion or sinking fund rights. Holders of common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares. Unless a different majority is required by law or by our amended and restated bye-laws, resolutions to be approved by holders of common shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

In the event of our liquidation, dissolution or winding up, the holders of common shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

Dividend Rights

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that (1) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (2) that the realizable value of its assets would thereby be less than its liabilities. Under our amended and restated bye-laws, each common share is entitled to dividends if, as and when dividends are declared by our board of directors, subject to any preferred dividend right of the holders of any preference shares. We do not anticipate paying cash dividends in the foreseeable future.

Variation of Rights

If at any time we have more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may be varied either: (1) with the consent in writing of the holders of 66 2/3% of the issued shares of that class; or (2) with the sanction of a resolution passed by a majority of the votes cast at a general meeting of the relevant class of shareholders at which a quorum consisting of at least one person holding or representing a majority of the issued shares of the relevant class is present. Our amended and restated bye-laws specify that the creation or issue of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of existing shares, vary the rights attached to existing shares. In addition, the creation or issue of preference shares ranking prior to common shares will not be deemed to vary the rights attached to common shares or, subject to the terms of any other class or series of preference shares, to vary the rights attached to any other class or series of preference shares.

Transfer of Shares

Our board of directors may, in its absolute discretion and without assigning any reason, refuse to register the transfer of a share on the basis that it is not fully paid. Our board of directors may also refuse to recognize an instrument of transfer of a share unless it is accompanied by the relevant share certificate and such other evidence of the transferor's right to make the transfer as our board of directors shall reasonably require or unless all applicable consents, authorizations and permissions of any governmental agency or body in Bermuda have been obtained. Subject to these restrictions, a holder of common shares may transfer the title to all or any of his or her common shares by completing an instrument of transfer in writing in such form as our board of directors may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share our board of directors may accept the instrument signed only by the transferor.

Meetings of Shareholders

Under Bermuda law, a company is required to convene at least one general meeting of shareholders each calendar year, which we refer to as the annual general meeting. While Bermuda law permits the shareholders to waive the requirement to hold an annual general meeting by resolution (either for a specific year or a period of time or indefinitely), our amended and restated bye-laws provide that, notwithstanding, an annual general meeting shall be held in each year.

Bermuda law provides that a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at general meetings. Bermuda law also requires that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting. Our amended and restated bye-laws provide that our principal executive officer or the chairperson of our board of directors or any two directors or any director and the secretary or our board of directors may convene an annual general meeting and our principal executive officer or the chairperson of our board of directors or our board of directors may convene a special general meeting. Under our amended and restated bye-laws, at least 14 days' notice of an annual general meeting or 10 days' notice of a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (1) in the case of an annual general meeting by all of the shareholders entitled to attend and vote at such meeting; or (2) in the case of a special general meeting by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95% in nominal value of the shares entitled to vote at such meeting. The quorum required for a general meeting of shareholders is two or more persons present in person at the start of the meeting and representing in person or by proxy in excess of 50% of all issued and outstanding common shares.

Election and Removal of Directors

Our amended and restated bye-laws provide that our board of directors shall consist of not less than five (5) Directors and not more than such maximum number of Directors as the board of directors may from time to time determine, being initially fifteen (15) Directors. Our board of directors currently consists of eight directors. Our board of directors is divided into three classes that are required to be, as nearly as possible, of equal size. Each class of directors is elected for a three-year term of office, but the terms will be staggered so that the term of only one class of directors expires at each annual general meeting. The terms of the Class I, Class II and Class III directors will expire in 2025, 2023 and 2024, respectively. At each succeeding annual general meeting, successors to the class of directors whose term expires at the annual general meeting will be elected for a three-year term.

A shareholder holding any percentage of the common shares in issue may propose for election as a director someone who is not an existing director or is not proposed by our board of directors. Where a director is to be elected at an annual general meeting, notice of any such proposal for election must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting prior to the giving of the notice or, in the event the annual general meeting is called for a date that is not less than 30 days before or after such anniversary the notice must be given not later than 10 days following the earlier of the date on which notice of the annual general meeting was posted to shareholders or the date on which public disclosure of the date of the annual general meeting was made. Where a director is to be elected at a special general meeting; provided, that our board of directors has determined that shareholders may nominate persons for election at such special general meeting, that notice must be given not later than seven days following the earlier of the date on which notice of the special general meeting was posted to shareholders or the date on which public disclosure of the date of the special general meeting was made.

A director may be removed, only with cause, by the shareholders by the affirmative vote of at least 66 $\frac{2}{3}$ % of the issued and outstanding voting shares entitled to vote for the election of directors, provided notice of the shareholders meeting convened to remove the director is given to the director. The notice must contain a statement of the intention to remove the director and a summary of the facts justifying the removal and must be served on the director not less than 14 days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his or her removal.

Proceedings of Board of Directors

Our amended and restated bye-laws provide that our business is to be managed and conducted by our board of directors. Bermuda law permits individual and corporate directors and there is no requirement in our bye-laws or Bermuda law that directors hold any of our shares. There is also no requirement in our amended and restated bye-laws or Bermuda law that our directors must retire at a certain age.

The compensation of our directors will be determined by the board of directors, and there is no requirement that a specified number or percentage of “independent” directors must approve any such determination. Our directors may also be paid all travel, hotel and other reasonable out-of-pocket expenses properly incurred by them in connection with our business or their duties as directors.

A director who discloses a direct or indirect interest in any contract or arrangement with us as required by Bermuda law may be entitled to be counted in the quorum for such meeting and to vote in respect of any such contract or arrangement in which he or she is interested unless the chairman of the relevant meeting of the board of directors determines that such director is disqualified from voting.

Indemnification of Directors and Officers

Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to Section 281 of the Companies Act.

Our amended and restated bye-laws provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty, and that we shall advance funds to our officers and directors for expenses incurred in their defense upon receipt of an undertaking to repay the funds if any allegation of fraud or dishonesty is proved. Our amended and restated bye-laws provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of the company’s directors or officers for any act or failure to act in the performance of such director’s or officer’s duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We have purchased and maintain a directors’ and officers’ liability policy for such purpose.

Amendment of Memorandum of Association and Bye-laws

Bermuda law provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders. Our amended and restated bye-laws provide that no bye-law shall be rescinded, altered or amended, and no new bye-law shall be made, unless it shall have been approved by a resolution of our board of directors and by a resolution of our shareholders holding at least 66 $\frac{2}{3}$ % of all votes cast on the resolution. The memorandum or association shall not be rescinded, altered or amended without a resolution of our board of directors and a resolution of our shareholders holding at least 66 $\frac{2}{3}$ % of all votes cast on the resolution.

Under Bermuda law, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment that alters or reduces a company's share capital as provided in the Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favor of the amendment.

Amalgamations and Mergers

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Unless the company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two or more persons holding or representing more than one-third of the issued shares of the company. Our amended and restated bye-laws provide that the approval of a 66²/₃% of shareholders voting at a meeting to approve the amalgamation or merger agreement shall be sufficient (other than in respect of an amalgamation or merger constituting a "business combination"), and the quorum for such meeting shall be two or more persons present in person and representing in person or by proxy in excess of 50% of the total voting rights of all issued and outstanding shares of the company.

Under Bermuda law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

Business Combinations

Although the Companies Act does not contain specific provisions regarding "business combinations" between companies organized under the laws of Bermuda and "interested shareholders," we have included these provisions in our bye-laws. Specifically, our bye-laws contain provisions which prohibit us from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person became an interested shareholder, unless, in addition to any other approval that may be required by applicable law:

- prior to the date of the transaction that resulted in the shareholder becoming an interested shareholder, our board of directors approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;
- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our issued and voting shares outstanding at the time the transaction commenced; or
- after the date of the transaction that resulted in the shareholder becoming an interested shareholder, the business combination is approved by our board of directors and authorized at an annual or special meeting of shareholders by the affirmative vote of at least 66²/₃% of our issued and outstanding voting shares that are not owned by the interested shareholder.

For purposes of these provisions, a "business combination" includes recapitalizations, mergers, amalgamations, consolidations, exchanges, asset sales, leases, certain issues or transfers of shares or other securities and other transactions resulting in a financial benefit to the interested shareholder. An "interested shareholder" is any person or entity that beneficially owns 15% or more of our issued and outstanding voting shares and any person or entity affiliated with or controlling or controlled by that person or entity.

Shareholder Suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

Our amended and restated bye-laws contain a provision by virtue of which our shareholders waive any claim or right of action that they have, both individually and on our behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer. We have been advised by the SEC that in the opinion of the SEC, the operation of this provision as a waiver of the right to sue for violations of federal securities laws would likely be unenforceable in U.S. courts.

Capitalization of Profits and Reserves

Pursuant to our amended and restated bye-laws, our board of directors may (1) capitalize any part of the amount of our share premium or other reserve accounts or any amount credited to our profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata (except in connection with the conversion of shares) to the shareholders; or (2) capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by paying up in full, partly paid or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

Untraced Shareholders

Our amended and restated bye-laws provide that our board of directors may forfeit any dividend or other monies payable in respect of any shares that remain unclaimed for six years from the date when such monies became due for payment. In addition, we are entitled to cease sending dividend warrants and checks by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend check or a warrant.

Certain Provisions of Bermuda Law

We have been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of common shares.

The Bermuda Monetary Authority has given its consent for the issue and free transferability of all of the common shares that are the subject of this offering to and between residents and non-residents of Bermuda for exchange control purposes, provided our shares remain listed on an appointed stock exchange, which includes Nasdaq. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving such consent or permissions, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda shall be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed in this prospectus. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority. We have sought and have obtained a specific permission from the Bermuda Monetary Authority for the issue and transfer of common shares up to the amount of our authorized capital from time to time, and options, warrants, depository receipts, rights, loan notes, debt instruments and our other securities to persons resident and non-resident for exchange control purposes with the need for prior approval of such issue or transfer.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, we are not bound to investigate or see to the execution of any such trust.

Exchange Controls

The permission of the Bermuda Monetary Authority is required, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of shares (which includes common shares) of Bermuda companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general permission. The Bermuda Monetary Authority, in its notice to the public dated June 1, 2005, has granted a general permission for the issue and subsequent transfer of any securities of a Bermuda company from or to a non-resident of Bermuda for exchange control purposes for so long as any "Equity Securities" of the company (which would include common shares) are listed on an "Appointed Stock Exchange" (which would include Nasdaq). Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority. We have sought and have obtained a specific permission from the Bermuda Monetary Authority for the issue and transfer of common shares up to the amount of our authorized capital from time to time, and options, warrants, depository receipts, rights, loan notes, debt instruments and our other securities to persons resident and non-resident for exchange control purposes with the need for prior approval of such issue or transfer.

Description of Warrants

Public Warrants

Each whole warrant entitles the registered holder to purchase one common share at a price of \$11.50 per share, subject to adjustment as discussed below, at any time, provided in each case that Roivant has an effective registration statement under the Securities Act covering the common shares issuable upon exercise of the warrants and a current prospectus relating to them is available (or Roivant permits holders to exercise their warrants on a cashless basis under the circumstances specified in the warrant agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the warrant agreement, a holder of warrants may exercise its warrants only for a whole number of common shares. This means only a whole warrant may be exercised at a given time by a warrant holder. No fractional warrants will be issued upon separation of the units and only whole warrants will trade. Accordingly, unless you purchase at least two units, you will not be able to receive or trade a whole warrant. The warrants will expire at 5:00 p.m., New York City time on September 30, 2026.

Roivant will not be obligated to deliver any common shares pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the common shares underlying the warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable and Roivant will not be obligated to issue a common share upon exercise of a warrant unless the common shares issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will Roivant be required to net cash settle any warrant. In the event that a registration statement is not effective for the exercised warrants, the purchaser of a unit containing such warrant will have paid the full purchase price for the unit solely for the share of common shares underlying such unit.

Roivant is registering the issuance of the common shares issuable upon exercise of the warrants pursuant to this registration statement. Roivant will use its commercially reasonable efforts to maintain the effectiveness of this registration statement (or any successor registration statement), and a current prospectus relating thereto, until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement.

During any period when Roivant will have failed to maintain an effective registration statement covering the issuance of the common shares issuable upon exercise of the warrants, warrant holders may exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act or another exemption. In addition, if common shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, Roivant may, at its option, require holders of its public warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event Roivant elects to do so, Roivant will not be required maintain in effect a registration statement, but Roivant will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering each such warrant for that number of common shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of common shares underlying the warrants, multiplied the excess of the “fair market value” less the exercise price of the warrants by (y) the fair market value and (B) 0.361. The “fair market value” shall mean the volume weighted average price of common shares for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

Redemption of Warrants When the Price per Common Share Equals or Exceeds \$18.00

Roivant may redeem the outstanding warrants (except as described herein with respect to the private placement warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days’ prior written notice of redemption to each warrant holder; and
- if, and only if, the last reported sale price of the common shares for any 20 trading days within a 30-trading day period ending three business days before Roivant sends to the notice of redemption to the warrant holders (which Roivant refers to as the “Reference Value”) equals or exceeds \$18.00 per share (as adjusted for share subdivisions, share capitalizations, dividends, reorganizations, recapitalizations and the like).

If and when the warrants become redeemable by Roivant, Roivant may exercise its redemption right even if Roivant is unable to register or qualify the underlying securities for sale under all applicable state securities laws. However, Roivant will not redeem the warrants unless an effective registration statement under the Securities Act covering the common shares issuable upon exercise of the warrants is effective and a current prospectus relating to those common shares is available throughout the 30-day redemption period.

Roivant established the last of the redemption criteria discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and Roivant issues a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. Any such exercise would not be done on a “cashless” basis and would require the exercising warrant holder to pay the exercise price for each warrant being exercised. However, the price of the common shares may fall below the \$18.00 redemption trigger price (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) as well as the \$11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

Redemption of Warrants When the Price per Common Share Equals or Exceeds \$10.00

Roivant may redeem the outstanding warrants:

- in whole and not in part;
- at \$0.10 per warrant upon a minimum of 30 days’ prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the “fair market value” of common shares (as defined below);

- if, and only if, the Reference Value (as defined above under “Redemption of Warrants When the Price per common share Equals or Exceeds \$18.00”) equals or exceeds \$10.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like); and
- if the Reference Value is less than \$18.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) the private placement warrants must also be concurrently called for redemption on the same terms (except as described above with respect to a holder’s ability to cashless exercise its warrants) as the outstanding public warrants, as described above.

The numbers in the table below represent the number of common shares that a warrant holder will receive upon exercise in connection with a redemption by Roivant pursuant to this redemption feature, based on the “fair market value” of common shares on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for \$0.10 per warrant), determined based on volume-weighted average price of common shares as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. Roivant provides its warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant is adjusted as set forth under the heading “—Anti-dilution Adjustments” below. The adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant.

Redemption Date (period to expiration of Warrants)	Fair Market Value of Common Shares									
	≤\$10.00	\$ 11.00	\$ 12.00	\$ 13.00	\$ 14.00	\$ 15.00	\$ 16.00	\$ 17.00	≥\$18.00	
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361	
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361	
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361	
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361	
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361	
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361	
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361	
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361	
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361	
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361	
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361	
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361	
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361	
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361	
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361	
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361	
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361	
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361	
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361	
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361	
0 months	-	-	0.042	0.115	0.179	0.233	0.281	0.323	0.361	

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of common shares to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume-weighted average price of common shares as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 common shares for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume-weighted average price of common shares as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 common shares for each whole warrant. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 common shares per warrant (subject to adjustment).

This redemption feature differs from the typical warrant redemption features used in some blank check offerings, which typically only provide for a redemption of warrants for cash (other than the private placement warrants) when the trading price for the common shares exceeds \$18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the common shares are trading at or above \$10.00 per share, which may be at a time when the trading price of common shares is below the exercise price of the warrants. Roivant has established this redemption feature to provide Roivant with the flexibility to redeem the warrants without the warrants having to reach the \$18.00 per share threshold set forth above under “—Redemption of Warrants When the Price per Common Share Equals or Exceeds \$18.00.” Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares for their warrants based on an option pricing model with a fixed volatility input as of the date of this prospectus. This redemption right provides Roivant with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to our capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. Roivant will be required to pay the applicable redemption price to warrant holders if Roivant chooses to exercise this redemption right and it will allow Roivant to quickly proceed with a redemption of the warrants if Roivant determines it is in our best interest to do so. As such, Roivant would redeem the warrants in this manner when Roivant believes it is in our best interest to update our capital structure to remove the warrants and pay the redemption price to the warrant holders.

As stated above, Roivant can redeem the warrants when the common shares are trading at a price starting at \$10.00, which is below the exercise price of \$11.50, because it provides certainty with respect to our capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If Roivant chooses to redeem the warrants when the common shares are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer common shares than they would have received if they had chosen to wait to exercise their warrants for common shares if and when such common shares were trading at a price higher than the exercise price of \$11.50.

No fractional common shares will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, Roivant will round down to the nearest whole number of the number of common shares to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the common shares pursuant to the warrant agreement (for instance, if Roivant is not the surviving company in an initial business combination), the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the common shares, Roivant (or surviving company) will use its commercially reasonable efforts to register under the Securities Act the security issuable upon the exercise of the warrants.

Redemption Procedures. A holder of a warrant may notify Roivant in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.9% or 9.8% (as specified by the holder) of the common shares issued and outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments. If the number of outstanding common shares is increased by a share subdivisions, share capitalization or dividend payable in common shares, or by a split-up of common shares or other similar event, then, on the effective date of such share subdivision, share capitalization, split-up or similar event, the number of common shares issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding shares of common shares. A rights offering to holders of common shares entitling holders to purchase common shares at a price less than the "historical fair market value" (as defined below) will be deemed a dividend of a number of common shares equal to the product of (i) the number of common shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for common shares) and (ii) one minus the quotient of (x) the price per Roivant common share paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for common shares, in determining the price payable for common shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) "historical fair market value" means the volume-weighted average price of common shares as reported during the 10 trading day period ending on the trading day prior to the first date on which the common shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of common shares on account of such common shares (or other securities into which the warrants are convertible), other than (a) as described above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the common shares during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed \$0.50 (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of common shares issuable on exercise of each warrant) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than \$0.50 per share, (c) to satisfy the redemption rights of the holders of common shares in connection with a proposed initial business combination, (d) to satisfy the redemption rights of the holders of common shares in connection with a shareholder vote to amend our amended and restated bye-laws (A) to modify the substance or timing of our obligation to allow redemption in connection with an initial business combination or to redeem 100% of common shares if Roivant does not complete an initial business combination within 24 months from the closing of the initial public offering or (B) with respect to any other provision relating to shareholders' rights or pre-initial business combination activity, or (e) in connection with the redemption of common shares upon our failure to complete an initial business combination, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each Roivant common share in respect of such event.

If the number of outstanding common shares is decreased by a consolidation, combination, reverse share split or reclassification of common shares or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of common shares issuable on exercise of each Roivant warrant will be decreased in proportion to such decrease in outstanding common shares.

Whenever the number of common shares purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of common shares purchasable upon the exercise of the warrants immediately prior to such adjustment and (y) the denominator of which will be the number of common shares so purchasable immediately thereafter.

In addition, if (x) Roivant issues additional common shares or equity-linked securities for capital raising purposes in connection with the closing of an initial business combination at an issue price or effective issue price of less than \$9.20 per Roivant common share (with such issue price or effective issue price to be determined in good faith by our board of directors and, in the case of any such issuance to the MAAC Sponsor or its affiliates, without taking into account any shares held by the MAAC Sponsor or its affiliates, as applicable, prior to such issuance (the “Newly Issued Price”), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of an initial business combination on the date of the completion of an initial business combination (net of redemptions), and (z) the volume-weighted average trading price of common shares during the 20 trading day period starting on the trading day prior to Closing (such price, the “Market Value”) is below \$9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the \$10.00 and \$18.00 per share redemption trigger prices described adjacent to “Redemption of Warrants When the Price per Roivant Common Share Equals or Exceeds \$18.00” and “Redemption of Warrants When the Price per Roivant Common Share Equals or Exceeds \$10.00” will be adjusted (to the nearest cent) to be equal to 100% and 180% of the higher of the Market Value and the Newly Issued Price, respectively.

In case of any reclassification or reorganization of the outstanding common shares (other than those described above or that solely affects the par value of such common shares), or in the case of any merger or consolidation of Roivant with or into another corporation (other than a consolidation or merger in which Roivant is the continuing corporation and that does not result in any reclassification or reorganization of our outstanding common shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of Roivant as an entirety or substantially as an entirety in connection with which Roivant is dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the common shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of common shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of common shares in such a transaction is payable in the form of common shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Roivant warrant properly exercises the Roivant warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the Black-Scholes value (as defined in the warrant agreement) of the warrant. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants.

The warrants are issued in registered form under a warrant agreement between American Stock Transfer & Trust Company, LLC as warrant agent, and us.

The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake, including to conform the provisions of the warrant agreement to the description of the terms of the warrants and the warrant agreement set forth in this prospectus, or defective provision (ii) amending the provisions relating to cash dividends on common shares as contemplated by and in accordance with the warrant agreement or (iii) adding or changing any provisions with respect to matters or questions arising under the warrant agreement as the parties to the warrant agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the warrants, provided that the approval by the holders of at least 50% of the then-outstanding public warrants is required to make any change that adversely affects the interests of the registered holders of public warrants. You should review a copy of the warrant agreement for a complete description of the terms and conditions applicable to the warrants.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of common shares and any voting rights until they exercise their warrants and receive common shares. After the issuance of common shares upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, Roivant will, upon exercise, round down to the nearest whole number, the number of common shares to be issued to the warrant holder.

Lock-up Agreements

Sumitomo Pharma Co., Ltd. (“Sumitomo Pharma”) and certain of our other shareholders collectively holding approximately 11.3% of our outstanding common shares have entered into contractual lock-up agreements with us that provide that such holders will not, without our prior written consent, (i) sell, offer to sell, contract to sell or lend, effect any short sale or establish or increase a put equivalent position or liquidate or decrease any call equivalent position, pledge, hypothecate or grant any security interest in or otherwise transfer or dispose any common shares or securities convertible into or exchangeable for common shares, (ii) make any demand for or exercise any right with respect to the registration of any such securities, (iii) enter into any swap, hedge or other agreement or any transaction that transfers the economic consequence of ownership of such securities or (iv) publicly announce the intention to do any of the foregoing. These lock-up agreements apply to all shares owned as of June 22, 2023, in the case of Sumitomo Pharma, and to certain shares acquired from Sumitomo Pharma on June 26, 2023, in the case of such other shareholders, and run from June 22, 2023 to February 29, 2024.

These restrictions do not apply to certain transfers, dispositions or transactions, including (i) as a bona fide gift or gifts, charitable contribution or for bona fide estate planning purposes; (ii) to any (a) any entities controlled by, controlling or under common control with such holders, (b) any trust for the direct or indirect benefit of such holders and (c) any direct or indirect partners, members or equity holders of such holders, any affiliate (as defined in Rule 405 promulgated under the Securities Act) of such holders or any related investment funds or vehicles controlled or managed by such holders or their respective affiliates; (iii) by operation of law or pursuant to a court order or an order of a regulatory agency; (iv) transactions relating to securities acquired in open market transactions after June 22, 2023; (v) distributions of securities to (a) limited partners, members, stockholders or holders of similar equity interests in such holders and (b) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act) of such holders, or to any investment fund or other entity controlled or managed by such holders or affiliates of such holders; (vi) (a) sales of securities pursuant to a trading plan pursuant to Rule 10b5-1 under the Exchange Act that is in effect and was established prior to June 22, 2023, provided that any required filing under Section 16(a) of the Exchange Act shall indicate the circumstances of such sale in the footnotes thereto, and (b) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of securities, provided that (1) such plan does not provide for the transfer of covered securities during the lock-up period and (2) the entry into such plan is not publicly disclosed, including in any filings under the Exchange Act, during the lock-up period; (vii) (a) pursuant to a bona fide third-party tender offer for all of our outstanding common shares, merger, consolidation or other similar transaction made to all holders of our securities involving a change of control of us (including, without limitation, the entering into any lock-up, voting or similar agreement pursuant to which such holders may agree to transfer, sell, tender or otherwise dispose of common shares or other such securities in connection with such transaction, or vote any common shares or other such securities in favor of any such transaction), or (b) in connection with our consummation of a liquidation, merger, amalgamation, share exchange, reorganization, tender offer or other similar transaction that results in all of our shareholders having the right to exchange their equity holdings in us for cash, securities or other property, provided that in the event that such tender offer, merger, consolidation or other such transaction described in clause (a) or (b) above is not completed, such securities held by such holders shall remain subject to the provisions set forth above; (xiii) by pledging, hypothecating or otherwise granting a security interest in securities in a bona fide transaction to one or more unaffiliated lending institutions as collateral or security for any margin loan or NAV loan and any transfer in the event of foreclosure upon such securities as a result of a default on such margin loan or NAV loan (so long as any such pledge, hypothecation or grant of security interest shall be on terms consistent with customary margin loans or NAV market practice, and such holders shall provide us with written notice prior to entering into such margin loan), or (ix) if such holder is an entity, a sale or other transfer by certain upstream equity holders of its direct or indirect common stock or membership, partnership or other equity ownership interest in such holder (whether or not for consideration); provided that (1) prior to any such transfer in the case of clauses (i)-(iii) or clause (iv) above, we receive a signed lock-up agreement, for the balance of the lock-up period from each donee, trustee, distributee or transferee, as the case may be, (2) any such transfer in the case of clauses (i)-(iii) above shall not involve a disposition for value, (3) in the case of clauses (ii)-(iii) above, such transfers are not required to be reported with the Securities and Exchange Commission under the Exchange Act, and (4) such holders do not otherwise voluntarily effect any public filing or report regarding such transfers.

ROIVANT SCIENCES LTD.
EMPLOYEE STOCK PURCHASE PLAN
(as amended on March 27, 2023)

Section 1. *Purpose.* This Roivant Sciences Ltd. Employee Stock Purchase Plan (the “**Plan**”) is intended to provide employees of the Company and its Participating Subsidiaries with an opportunity to acquire a proprietary interest in the Company through the purchase of Shares. The Plan is intended to qualify as an “employee stock purchase plan” under Section 423 of the Code and the Plan shall be interpreted in a manner that is consistent with that intent.

Section 2. *Definitions.*

- (a) “**Board**” means the Board of Directors of the Company.
- (b) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Code shall include any successor provision thereto.
- (c) “**Committee**” means the compensation committee of the Board, unless another committee is designated by the Board. If there is no compensation committee of the Board and the Board does not designate another committee, references herein to the “Committee” shall refer to the Board.
- (d) “**Company**” means Roivant Sciences Ltd., an exempted limited company incorporated under the laws of Bermuda, with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda or any successor to all or substantially all of its businesses by merger, amalgamation, consolidation, purchase of assets, or otherwise.
- (e) “**Compensation**” means the base salary and wages paid to an Eligible Employee by the Company or a Participating Subsidiary as compensation for services to the Company or Participating Subsidiary, before deduction for any salary deferral contributions made by the Eligible Employee to any tax-qualified or nonqualified deferred compensation plan.
- (f) “**Corporate Transaction**” means a merger, consolidation, acquisition of property or stock, separation, reorganization or other corporate event described in Section 424 of the Code.
- (g) “**Designated Broker**” means the financial services firm or other agent designated by the Company to maintain ESPP Share Accounts on behalf of Participants who have purchased Shares under the Plan.
-

(h) **“Effective Date”** means September 29, 2021, subject to approval by shareholders of the Company in accordance with Section 19(k).

(i) **“Eligible Employee”** means an Employee who has been employed with the Company or a Participating Subsidiary for at least three (3) months prior to the applicable Offering Date and is customarily employed for at least twenty (20) hours per week. Notwithstanding the foregoing, the Committee (i) may exclude from participation in the Plan or any Offering any Employees who are “highly compensated employees” or a sub-set of such “highly compensated employees” (within the meaning of Section 414(q) of the Code) or who otherwise may be excluded from participation pursuant to Treasury Regulation Section 1.423-2(e) and (ii) may exclude any Employees located outside of the United States to the extent permitted under Section 423 of the Code.

(j) **“Employee”** means any person who renders services to the Company or a Participating Subsidiary as an employee pursuant to an employment relationship with such employer. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on military leave, sick leave or other leave of absence approved by the Company or a Participating Subsidiary that meets the requirements of Treasury Regulation Section 1.421-1(h)(2). Where the period of leave exceeds three (3) months, and the individual’s right to reemployment is not provided by statute or contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three (3) month period.

(k) **“Enrollment Form”** means an agreement (in a form specified by the Committee) pursuant to which an Eligible Employee may elect to enroll in the Plan, to authorize a new level of payroll deductions, or to stop payroll deductions and withdraw from an Offering.

(l) **“ESPP Share Account”** means an account into which Shares purchased with accumulated payroll deductions at the end of an Offering Period are deposited on behalf of a Participant.

(m) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

(n) **“Fair Market Value”** means, as of any date, the closing price of a Share on the relevant date of determination (or, if such date is not a Trading Day, on the last Trading Day immediately preceding such date of determination), on the principal stock market or exchange on which Shares are quoted or traded, or if Shares are not so quoted or traded, the fair market value of a Share as determined by the Committee, which such determination shall be conclusive and binding on all persons.

- (o) “**Initial Offering Period**” has the meaning set forth in Section 5.
 - (p) “**Offering Date**” means the first Trading Day of each Offering Period, as designated by the Committee.
 - (q) “**Offering**” or “**Offering Period**” means the period described in Section 5.
 - (r) “**Offering Period Limit**” has the meaning set forth in Section 7.
 - (s) “**Participant**” means an Eligible Employee who is actively participating in the Plan.
 - (t) “**Participating Subsidiaries**” means the Subsidiaries that have been designated by the Committee as eligible to participate in the Plan, and such other Subsidiaries that may be designated by the Committee from time to time in its sole discretion.
 - (u) “**Plan**” means this Roivant Sciences Ltd. Employee Stock Purchase Plan, as set forth herein, and as amended from time to time.
 - (v) “**Purchase Date**” means the last Trading Day of each Offering Period.
 - (w) “**Purchase Price**” means an amount equal to eighty-five percent (85%) of the lesser of (i) the Fair Market Value of a Share on the Offering Date and (ii) the Fair Market Value of a Share on the Purchase Date; *provided* that the Purchase Price per Share will in no event be less than the par value of the Shares.
 - (x) “**Securities Act**” means the Securities Act of 1933, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Securities Act includes any successor provision thereto.
 - (y) “**Share**” means a common share of the Company.
 - (z) “**Subsidiary**” means any corporation, domestic or foreign, in an unbroken chain of corporations beginning with the Company of which at the time of the granting of an option pursuant to Section 7, not less than fifty percent (50%) of the total combined voting power of all classes of stock are held by the Company or a Subsidiary, whether or not such corporation exists now or is hereafter organized or acquired by the Company or a Subsidiary; *provided, however*, that a limited liability company or partnership may be treated as a Subsidiary to the extent either (i) such entity is treated as a disregarded entity under Treasury Regulation Section 301.7701-3(a) by reason of the Company or any other Subsidiary that is a corporation being the sole owner of such entity or, (ii) such entity elects to be classified as a corporation under Treasury Regulation Section 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary.
-

(aa) “**Trading Day**” means any day on which the national stock exchange upon which the Shares are listed is open for trading.

Section 3. *Administration.*

(a) Administration of Plan. The Plan shall be administered by the Committee which shall have the authority to construe and interpret the Plan, prescribe, amend and rescind rules relating to the Plan’s administration and take any other actions necessary or desirable for the administration of the Plan including, without limitation, adopting sub-plans applicable to particular Participating Subsidiaries or locations, which sub-plans may be designed to be outside the scope of Section 423 of the Code. The Committee may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Plan. The decisions of the Committee shall be final and binding on all persons. All expenses of administering the Plan shall be borne by the Company. Notwithstanding anything in the Plan to the contrary and without limiting the generality of the foregoing, the Committee shall have the authority to change the minimum amount of Compensation for payroll deductions pursuant to Section 6(a), the frequency with which a Participant may elect to change their rate of payroll deductions pursuant to Section 6(b), the dates by which a Participant is required to submit an Enrollment Form pursuant to Section 6(b) and Section 10(a), and the effective date of a Participant’s withdrawal due to termination of employment or change in status pursuant to Section 11, and the withholding procedures pursuant to Section 19(m).

(b) Delegation of Authority. To the extent permitted by applicable law, the Committee may delegate to (i) one or more officers of the Company some or all of its authority under the Plan and (ii) one or more committees of the Board some or all of its authority under the Plan.

Section 4. *Eligibility.* In order to participate in an Offering, an Eligible Employee must deliver a completed Enrollment Form to the Company at least five (5) business days prior to the Offering Date (unless a different time is set by the Company for all Eligible Employees with respect to such Offering) and must elect their payroll deduction rate as described in Section 6. Notwithstanding any provision of the Plan to the contrary, no Eligible Employee shall be granted an option under the Plan if (i) immediately after the grant of the option, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own stock of the Company or hold outstanding options to purchase stock of the Company possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any Subsidiary or (ii) such option would permit such Eligible Employee’s rights to purchase stock under all employee stock purchase plans (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue at a rate that exceeds twenty-five thousand dollars (\$25,000) of the Fair Market Value of such stock (determined at the time the option is granted) for each calendar year in which such option is outstanding at any time, in accordance with the provisions of Section 423(b)(8) of the Code.

Section 5. *Offering Periods.* The initial Offering Period under the Plan shall commence on January 1, 2022 and end on June 30, 2022 (the “**Initial Offering Period**”). Following the completion of the Initial Offering Period, the Plan shall be implemented by a series of subsequent Offering Periods, each of which shall be six (6) months in duration, with new Offering Periods commencing on January 1 and July 1 of each year. The Committee shall have, prior to the commencement of a particular Offering Period, the authority to change the duration, frequency, start and end dates of the Offering Period (subject to a maximum Offering Period of twenty-seven (27) months).

Section 6. *Participation.*

(a) Enrollment; Payroll Deductions. An Eligible Employee may elect to participate in the Plan by properly completing an Enrollment Form, which may be electronic, and submitting it to the Company, in accordance with the enrollment procedures established by the Committee. Participation in the Plan is entirely voluntary. By submitting an Enrollment Form, the Eligible Employee authorizes payroll deductions from their paycheck in an amount equal to a percentage of at least one percent (1%) but up to fifteen percent (15%) of their Compensation on each payday occurring during an Offering Period (or such other amount as the Committee may establish from time to time before an Offering Period begins). Payroll deductions shall commence as soon as administratively practicable following the Offering Date and end on the latest practicable payroll date on or before the Purchase Date. The Company shall maintain records of all payroll deductions but shall have no obligation to pay interest on payroll deductions or to hold such amounts in a trust or in any segregated account. Unless expressly permitted by the Committee, a Participant may not make any separate contributions or payments to the Plan. For the avoidance of doubt, all payroll deductions during an Offering Period that are made under the Plan from a Participant’s Compensation shall be made on an after-tax basis.

(b) Election Changes. During an Offering Period, a Participant may increase or decrease their rate of payroll deductions applicable to such Offering Period only once during the applicable Offering Period (unless otherwise determined by the Committee) by submitting to the Company a revised Enrollment Form indicating their election to increase or decrease their rate of payroll deductions at least fifteen (15) days before the Purchase Date for such Offering Period. Any such increase or decrease shall be applied as soon as administratively possible, and only to payroll periods in such Offering Period that commence after such election is made. A Participant may increase or decrease their rate of payroll deductions for future Offering Periods by submitting a new Enrollment Form authorizing the new rate of payroll deductions at least fifteen (15) business days before the start of the next Offering Period.

(c) Automatic Re-enrollment. The deduction rate selected in the Enrollment Form shall remain in effect for subsequent Offering Periods unless the Participant (i) submits a new Enrollment Form authorizing a new level of payroll deductions in accordance with Section 6(b), (ii) withdraws from the Plan in accordance with Section 10, or (iii) terminates employment or otherwise becomes ineligible to participate in the Plan.

Section 7. *Grant of Option.* On each Offering Date, each Participant in the applicable Offering Period shall be granted an option to purchase, on the Purchase Date, a number of Shares determined by dividing the Participant's accumulated payroll deductions in respect of such Offering Period by the applicable Purchase Price; *provided* that the maximum number of Shares that may be purchased by a Participant during an Offering Period shall not exceed 10,000 Shares or such other maximum number of Shares as the Committee may establish from time to time before an Offering Period begins, subject to adjustment in accordance with Section 18 and the limitations set forth in Section 4 and Section 13 of the Plan (the "**Offering Period Limit**").

Section 8. *Exercise of Option/Purchase of Shares.* A Participant's option to purchase Shares will be exercised automatically on the Purchase Date of each Offering Period. The Participant's accumulated payroll deductions will be used to purchase the maximum number of whole Shares that can be purchased with the amounts in the Participant's notional account, subject to the Offering Period Limit and the limitations set forth in Section 4 and Section 13 of the Plan. No fractional Shares may be purchased, but contributions unused in a given Offering Period due to being less than the Purchase Price of a Share shall be paid to the Participant as soon as administratively possible following the Purchase Date. During a Participant's lifetime, the Participant's option to purchase Shares under the Plan is exercisable only by the Participant.

Section 9. *Transfer of Shares.* As soon as administratively practicable, but in no event later than thirty (30) days, after each Purchase Date, the Company will arrange for the delivery to each Participant of the Shares purchased upon exercise of the Participant's option. The Committee may permit or require that the Shares be deposited directly into an ESPP Share Account established in the name of the Participant with a Designated Broker and may require that the Shares be retained with such Designated Broker for a specified period of time. Participants will not have any voting, dividend or other rights of a shareholder with respect to the Shares subject to any option granted under the Plan until such Shares have been delivered pursuant to this Section 9.

Section 10. *Withdrawal.*

(a) Withdrawal Procedure. A Participant may withdraw from an Offering by submitting to the Company a revised Enrollment Form indicating their election to withdraw at least fifteen (15) days before the Purchase Date. The accumulated payroll deductions held on behalf of a Participant in their notional account (that have not been used to purchase Shares) shall be paid to the Participant promptly following receipt of the Participant's Enrollment Form indicating their election to withdraw and the Participant's option shall be automatically terminated. If a Participant withdraws from an Offering Period, no payroll deductions will be made during any succeeding Offering Period, unless the Participant re-enrolls in accordance with Section 6(a) of the Plan.

(b) Effect on Succeeding Offering Periods. A Participant's election to withdraw from an Offering Period will not have any effect upon the Participant's eligibility to participate in succeeding Offering Periods that commence following the completion of the Offering Period from which the Participant withdraws.

Section 11. Termination of Employment; Change in Employment Status. Notwithstanding Section 10, upon termination of a Participant's employment for any reason prior to the Purchase Date of an Offering, including due to the Participant's death, disability or retirement, or a change in the Participant's employment status following which the Participant is no longer an Eligible Employee, the Participant will be deemed to have withdrawn from the Offering in accordance with Section 10 and the payroll deductions in the Participant's notional account (that have not been used to purchase Shares) shall be returned to the Participant, or in the case of the Participant's death, to the person(s) entitled to such amounts by will or the laws of descent and distribution, and the Participant's option shall be automatically terminated. Unless otherwise determined by the Committee, a Participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company or any Participating Subsidiary will not be treated as having terminated employment for purposes of participating in the Plan or an Offering.

Section 12. No Interest. No interest shall accrue on or be payable with respect to the payroll deductions of a Participant in the Plan.

Section 13. Shares Reserved for Plan.

(a) Number of Shares. The maximum number of Shares initially reserved and available for purchase under the Plan is 13,900,000 Shares in the aggregate, subject to adjustment in accordance with Section 18. The Shares may be newly issued Shares, treasury Shares or Shares acquired on the open market. The total number of Shares available for purchase under the Plan shall be increased on the first day of each Company fiscal year following the Effective Date in an amount equal to the least of (i) 13,900,000 Shares, (ii) one percent (1%) of the aggregate number of Shares outstanding (on a fully diluted basis) on the last day of the immediately preceding Company fiscal year and (iii) such lesser number of Shares as determined by the Board; *provided* that the maximum number of Shares that may be issued under the Plan during the term of the Plan shall be 147,447,650 Shares (subject to any adjustment in accordance with Section 18). If any purchase of Shares pursuant to an option under the Plan is not consummated, the Shares not purchased under such option will again become available for issuance under the Plan.

(b) Over-subscribed Offerings. If the Committee determines that, on a particular Purchase Date, the number of Shares with respect to which options are to be exercised exceeds the number of Shares then available under the Plan, the Company shall make a pro rata allocation of the Shares remaining available for purchase in as uniform a manner as practicable and as the Committee determines to be equitable. No option granted under the Plan shall permit a Participant to purchase Shares which, if added together with the total number of Shares purchased by all other Participants in such Offering would exceed the total number of Shares remaining available under the Plan.

Section 14. *Transferability.* No payroll deductions credited to a Participant, nor any rights with respect to the exercise of an option or any rights to receive Shares hereunder may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will or the laws of descent and distribution, or as provided in Section 17) by the Participant. Any attempt to assign, transfer, pledge or otherwise dispose of such rights or amounts shall be without effect.

Section 15. *Application of Funds.* All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose to the extent permitted by applicable law, and the Company shall not be required to segregate such payroll deductions or contributions.

Section 16. *Statements.* Statements will be made available to Participants at least annually which shall set forth the contributions made by the Participant to the Plan, the Purchase Price of any Shares purchased with accumulated funds, the number of Shares purchased, and any payroll deduction amounts remaining in the Participant's notional account.

Section 17. *Designation of Beneficiary.* If permitted by the Committee, a Participant may file, on forms supplied by the Committee, a written designation of beneficiary who, in the event of the Participant's death, is to receive any Shares from the Participant's ESPP Share Account or any payroll deduction amounts remaining in the Participant's notional account.

Section 18. *Adjustments Upon Changes in Capitalization; Dissolution or Liquidation; Corporate Transactions.*

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, amalgamation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the Company's structure affecting the Shares occurs, then in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, the Committee will, in such manner as it deems equitable, adjust the number of Shares and class of Shares that may be delivered under the Plan, the Purchase Price per Share and the number of Shares covered by each outstanding option under the Plan, and the numerical limits of Section 7 and Section 13.

(b) Dissolution or Liquidation. Unless otherwise determined by the Committee, in the event of a proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a new Purchase Date and the Offering Period will end immediately prior to the proposed dissolution or liquidation. The new Purchase Date will be before the date of the Company's proposed dissolution or liquidation. Before the new Purchase Date, the Committee will provide each Participant with written notice, which may be electronic, of the new Purchase Date and that the Participant's option will be exercised automatically on such date, unless before such time, the Participant has withdrawn from the Offering in accordance with Section 10 (or deemed to have withdrawn in accordance with Section 11).

(c) Corporate Transaction. In the event of a Corporate Transaction, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a parent or Subsidiary of such successor corporation. If the successor corporation refuses to assume or substitute the option, the Offering Period with respect to which the option relates will be shortened by setting a new Purchase Date on which the Offering Period will end. The new Purchase Date will occur before the date of the Corporate Transaction. Prior to the new Purchase Date, the Committee will provide each Participant with written notice, which may be electronic, of the new Purchase Date and that the Participant's option will be exercised automatically on such date, unless before such date, the Participant has withdrawn (or, pursuant to Section 11, been deemed to have withdrawn) from the Offering in accordance with Section 10. Notwithstanding the foregoing, in the event of a Corporate Transaction, the Committee may also elect to terminate all outstanding Offering Periods in accordance with Section 19(i).

Section 19. *General Provisions.*

(a) Equal Rights and Privileges. Notwithstanding any provision of the Plan to the contrary and in accordance with Section 423 of the Code, all Eligible Employees who are granted options under the Plan shall have the same rights and privileges.

(b) No Right to Continued Service. Neither the Plan nor any compensation paid hereunder will confer on any Participant the right to continue as an Employee or in any other capacity.

(c) Rights as Shareholder. A Participant will become a shareholder with respect to the Shares that are purchased pursuant to options granted under the Plan when the Shares are transferred to the Participant or, if applicable, to the Participant's ESPP Share Account. A Participant will have no rights as a shareholder with respect to Shares for which an election to participate in an Offering Period has been made until such Participant becomes a shareholder as provided herein.

- (d) Successors and Assigns. The Plan shall be binding on the Company and its successors and assigns.
- (e) Entire Plan. This Plan constitutes the entire plan with respect to the subject matter hereof and supersedes all prior plans with respect to the subject matter hereof.
- (f) Compliance with Law. The obligations of the Company with respect to payments under the Plan are subject to compliance with all applicable laws and regulations. Shares shall not be issued with respect to an option granted under the Plan unless the exercise of such option and the issuance and delivery of the Shares pursuant thereto shall comply with all applicable provisions of law, including, without limitation, the Securities Act, the Exchange Act, and the requirements of any stock exchange upon which the Shares may then be listed.
- (g) Disqualifying Dispositions. Each Participant shall give the Company prompt written notice of any disposition or other transfer of Shares acquired pursuant to the exercise of an option acquired under the Plan, if such disposition or transfer is made within two years after the Offering Date or within one year after the Purchase Date.
- (h) Term of Plan. The Plan shall become effective on the Effective Date and, unless terminated earlier pursuant to Section 19(i), shall have a term of ten years.
- (i) Amendment or Termination. The Committee may, in its sole discretion, amend, suspend or terminate the Plan at any time and for any reason. If the Plan is terminated, the Committee may elect to terminate all outstanding Offering Periods either immediately or once Shares have been purchased on the next Purchase Date or permit Offering Periods to expire in accordance with their terms (and subject to any adjustment in accordance with Section 18). If any Offering Period is terminated before its scheduled expiration, all amounts that have not been used to purchase Shares will be returned to Participants (without interest, except as otherwise required by law) as soon as administratively practicable.
- (j) Applicable Law. To the extent that United States federal laws do not otherwise control, the Plan and all determinations made and actions taken pursuant to the Plan shall be governed by the internal laws of the State of New York, and construed accordingly, except for those matters subject to The Companies Act, 1981 of Bermuda (as amended), which shall be governed by Bermuda law, without giving effect to principles of conflicts of laws, and construed accordingly.
- (k) Shareholder Approval. The Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted by the Board.
- (l) Section 423. The Plan is intended to qualify as an “employee stock purchase plan” under Section 423 of the Code, and any provision of the Plan that is inconsistent with Section 423 of the Code shall be reformed to comply with Section 423 of the Code.
-

(m) Withholding. To the extent required by applicable federal, state or local law, a Participant must make arrangements satisfactory to the Company for the payment of any withholding or similar tax obligations that arise in connection with the Plan. At any time, the Company or any Subsidiary may, but will not be obligated to, withhold from a Participant's compensation the amount necessary for the Company or any Subsidiary to meet applicable withholding obligations, including any withholding required to make available to the Company or any Subsidiary any tax deductions or benefits attributable to the sale or early disposition of Shares by such Participant. In addition, the Company or any Subsidiary may, but will not be obligated to, withhold from the proceeds of the sale of Shares or any other method of withholding that the Company or any Subsidiary deems appropriate to the extent permitted by, where applicable, Treasury Regulation Section 1.423-2(f). The Company will not be required to issue any Shares under the Plan until such obligations are satisfied.

(n) Severability. If any provision of the Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed as if such invalid or unenforceable provision were omitted.

(o) Headings. The headings of sections herein are included solely for convenience and shall not affect the meaning of any of the provisions of the Plan.

ROIVANT SCIENCES LTD.

STOCK OPTION GRANT NOTICE

(AMENDED AND RESTATED 2015 EQUITY INCENTIVE PLAN)

Roivant Sciences Ltd. (the “**Company**”), pursuant to its Amended and Restated 2015 Equity Incentive Plan (the “**Plan**”), hereby grants to Optionholder an option to purchase the number of common shares of the Company (the “**Common Shares**”) set forth below. This option is subject to all of the terms and conditions as set forth in this stock option grant notice (this “**Stock Option Grant Notice**”), in the Option Agreement, the Plan and the Notice of Exercise, all of which are attached hereto and incorporated in this Stock Option Grant Notice in their entirety. Capitalized terms not explicitly defined in this Stock Option Grant Notice but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms in this Stock Option Grant Notice and the Plan, the terms of the Plan will control.

Optionholder:	[•] _____
Date of Grant:	[•] _____
Vesting Commencement Date:	[•] _____
Number of Shares Subject to Option:	[•] _____
Exercise Price (Per Share):	[•] _____
Total Exercise Price:	[•] _____
Expiration Date:	[•] _____
Type of Grant¹:	[Incentive Stock Option][Nonstatutory Stock Option] _____
Exercise Schedule	Same as Vesting Schedule _____

Vesting Schedule: [•] [1/4th of the Common Shares underlying the option will vest one year after the Vesting Commencement Date; the balance of the Common Shares will vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date.]

[Notwithstanding the foregoing, no portion of this option will vest on the applicable vesting date set forth above unless Optionholder executes (and does not subsequently revoke) a release of claims on an annual basis prior to the vesting date in a form substantially similar to that release (“**Release**”) attached to the Amended and Restated Employment Agreement to be entered into between Optionholder and Roivant Sciences, Inc. (“**Amended Agreement**”).

In addition, the issuance of this option is contingent upon Optionholder’s execution of the Amended Agreement. In the event that the Amended Agreement is not executed and entered into between the parties, then this option shall be forfeited and thereby terminate for no consideration immediately prior to the first anniversary of the Date of Grant.

Notwithstanding any provision herein, upon termination of Continuous Service, Optionholder shall be required to execute the Release (and not subsequently revoke the Release) following such termination within the time period as specified therein. In the event that Optionholder does not execute the Release or revokes the Release, then 10% of the vested portion of this option as of the date of such termination (the “**Cancelled Amount**”) shall terminate for no consideration and Optionholder shall have no further rights with respect thereto; provided that, to the extent Optionholder has exercised this option prior to such termination, then in lieu of cancelling all or any portion of the Cancelled Amount, the Company or any of its Affiliates (if so determined by the Company) shall have the right to purchase from Optionholder an equivalent number of shares acquired pursuant to exercise of this option for the lesser of the purchase price paid by Optionholder or the Fair Market Value at the time of such purchase.]¹

[If the Optionholder’s Continuous Service is involuntarily terminated without Cause [within twelve (12) months][●] following the date of][Immediately prior to (and contingent upon)] the consummation of a Change in Control (as defined in the Plan), all shares underlying this option shall automatically and immediately become fully vested[, subject to the Optionholder’s execution of the Release.]²

Payment: By one or a combination of the following items (described in the Option Agreement):

- By cash, check, bank draft, wire transfer or money order payable to the Company.
- If and only to the extent this option is a Nonstatutory Stock Option, and subject to the Company’s consent at the time of exercise, by a “net exercise” arrangement.

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to, this Stock Option Grant Notice, the Option Agreement and the Plan. Optionholder acknowledges and agrees that this Stock Option Grant Notice and the Option Agreement may not be modified, amended or revised except as provided in the Plan. Optionholder further acknowledges that as of the Date of Grant, this Stock Option Grant Notice, the Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding this option award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) Stock Awards previously granted and delivered to Optionholder and (ii) any written employment or severance arrangement that would provide for vesting acceleration of this option upon the terms and conditions set forth therein.

By accepting this option, Optionholder consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

³ If this is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options) cannot be first exercisable for more than \$100,000 in value (measured by exercise price) in any calendar year. Any excess over \$100,000 is a Nonstatutory Stock Option.

¹ Only for Mayukh Sukhatme’s grant expiring on May 19, 2029.

² Only for Mayukh Sukhatme’s grant expiring on May 19, 2029.

ROIVANT SCIENCES LTD.

AMENDED AND RESTATED 2015 EQUITY INCENTIVE PLAN

OPTION AGREEMENT
(INCENTIVE STOCK OPTION OR NONSTATUTORY STOCK OPTION)

Pursuant to your Stock Option Grant Notice (“**Stock Option Grant Notice**”) and this Option Agreement (this “**Option Agreement**”), Roivant Sciences Ltd. (the “**Company**”) has granted you an option under its Amended and Restated 2015 Equity Incentive Plan (the “**Plan**”) to purchase the number of common shares of the Company (the “**Common Shares**”) indicated in your Stock Option Grant Notice at the exercise price indicated in your Stock Option Grant Notice. The option is granted to you effective as of the date of grant set forth in the Stock Option Grant Notice (the “**Date of Grant**”). If there is any conflict between the terms in this Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this Option Agreement or in the Stock Option Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your option, in addition to those set forth in the Stock Option Grant Notice and the Plan, are as follows:

1. **VESTING.** Your option will vest as provided in your Stock Option Grant Notice. Vesting will cease upon the termination of your Continuous Service.
2. **NUMBER OF SHARES AND EXERCISE PRICE.** The number of Common Shares subject to your option and your exercise price per share in your Stock Option Grant Notice will be adjusted for Capitalization Adjustments.
3. **EXERCISE RESTRICTION FOR NON-EXEMPT EMPLOYEES.** If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (that is, a “**Non-Exempt Employee**”), and except as otherwise provided in the Plan, you may not exercise your option until you have completed at least six (6) months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six (6) months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise your option as to any vested portion prior to such six (6) month anniversary in the case of (i) your death or disability, (ii) a Change in Control or (iv) your termination of Continuous Service on your “retirement” (as defined in the Company’s benefit plans).
4. **EXERCISE PRIOR TO VESTING (“EARLY EXERCISE”).** If permitted in your Stock Option Grant Notice (*i.e.*, the “**Exercise Schedule**” indicates “**Early Exercise Permitted**”) and subject to the provisions of your option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your option, to exercise all or part of your option, including the unvested portion of your option; *provided, however*, that:
 - (a) a partial exercise of your option will be deemed to cover first vested Common Shares and then the earliest vesting installment of unvested Common Shares;

(b) any Common Shares so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company's form of Early Exercise Stock Purchase Agreement;

(c) you will enter into the Company's form of Early Exercise Stock Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

(d) if your option is an Incentive Stock Option, then, to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of the Common Shares with respect to which your option plus all other Incentive Stock Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds \$100,000, your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) will be treated as Nonstatutory Stock Options.

5. **METHOD OF PAYMENT.** Unless the Board determined otherwise, you must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft, wire transfer or money order payable to the Company or in any other manner permitted by your Stock Option Grant Notice.

6. **WHOLE SHARES.** You may exercise your option only for whole Common Shares.

7. **SECURITIES LAW COMPLIANCE.** In no event may you exercise your option unless the Common Shares issuable upon exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with all other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable).

8. **TERM.** You may not exercise your option before the Date of Grant or after the expiration of the option's term. The term of your option expires upon the earliest of the following:

- (a) immediately upon the termination of your Continuous Service for Cause;
- (b) the Expiration Date indicated in your Stock Option Grant Notice; and
- (c) the day before the tenth (10th) anniversary of the Date of Grant.

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

9. EXERCISE.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Stock Option Grant Notice so permits) during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable withholding taxes to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, or (ii) the disposition of Common Shares acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the Common Shares issued upon exercise of your option that occurs within two (2) years after the Date of Grant or within one (1) year after such Common Shares are transferred upon exercise of your option.

(d) By exercising your option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Common Shares or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rules or regulation (the "**Lock-Up Period**"); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Common Shares until the end of such period. You also agree that any transferee of any Common Shares (or other securities) of the Company held by you will be bound by this Section 9(d). The underwriters of the Company's stock are intended third party beneficiaries of this Section 9(d) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

10. TRANSFERABILITY. Except as otherwise provided in Section 5 of the Plan, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

11. RIGHT OF REPURCHASE. The Company will have the right to repurchase all of the Common Shares you acquire pursuant to the exercise of your option upon termination of your Continuous Service for Cause. Such repurchase will be at the exercise price you paid to acquire the shares and will be effected pursuant to such other terms and conditions, and at such time, as the Company shall determine.

12. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, and at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a “same day sale” pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) If this option is a Nonstatutory Stock Option, then upon your request and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested Common Shares otherwise issuable to you upon the exercise of your option a number of whole Common Shares having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your option as a liability for financial accounting purposes). Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company will have no obligation to issue a certificate for such Common Shares or release such Common Shares from any escrow provided for herein, if applicable, unless such obligations are satisfied.

14. TAX CONSEQUENCES. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your option or your other compensation. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Stock Option Grant Notice is at least equal to the “fair market value” per share of Common Share on the Date of Grant and there is no other impermissible deferral of compensation associated with the option. Because the Common Shares are not traded on an established securities market, the Fair Market Value is determined by the Board, perhaps in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the Internal Revenue Service will agree with the valuation as determined by the Board, and you will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that the valuation determined by the Board is less than the “fair market value” as subsequently determined by the Internal Revenue Service.

15. NOTICES. Any notices provided for in your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ATTACHMENT II

ROIVANT SCIENCES LTD.

AMENDED AND RESTATED 2015 EQUITY INCENTIVE PLAN

[Attached]

ATTACHMENT III
NOTICE OF EXERCISE

[Attached]

ROIVANT SCIENCES LTD.
RESTRICTED STOCK UNIT AWARD GRANT NOTICE
(2015 EQUITY INCENTIVE PLAN)

Roivant Sciences Ltd. (the “**Company**”), pursuant to its 2015 Equity Incentive Plan (the “**Plan**”), hereby grants to RSU Holder a Restricted Stock Unit Award (the “**RSU Award**”) of the number of Restricted Stock Units (each an “**RSU**”, and together, the “**RSUs**”) as set forth below. Each RSU is an obligation of the Company to deliver one common share of the Company (the “**Common Shares**”) after any applicable vesting restrictions with respect to the RSUs lapse. The RSUs are subject to all of the terms and conditions as set forth in this restricted stock unit award grant notice (the “**RSU Grant Notice**”), in the restricted stock unit agreement (the “**RSU Agreement**”), and the Plan, all of which are attached hereto and incorporated in this RSU Grant Notice in their entirety. Capitalized terms not explicitly defined in this RSU Grant Notice but defined in the Plan or the RSU Agreement will have the same definitions as in the Plan or the RSU Agreement. If there is any conflict between the terms in this RSU Grant Notice and the Plan, the terms of the Plan will control.

RSU Holder:	[•] _____
Date of Grant:	[•] _____
Number of RSUs:	[•] _____
Vesting Commencement Date:	[•] _____
Settlement Date:	No later than 2 ½ months following the year in which the Vesting Date (as defined in this RSU Grant Notice) occurs _____
Expiration Date:	[•] _____

Vesting Schedule:

Two vesting requirements must be satisfied on or before the Expiration Date in order for an RSU to vest – the “**Time Requirement**” and the “**Liquidity Event Requirement**.” The RSUs will not vest (in whole or in part) if only one (or if neither) of such vesting requirements is satisfied on or before the Expiration Date. If both the Time Requirement and the Liquidity Event Requirement are satisfied on or before the Expiration Date, the vesting date (the “**Vesting Date**”) of an RSU will be the first date upon which both such requirements are satisfied.

Notwithstanding anything to the contrary in this RSU Grant Notice, if the RSU Holder's Continuous Service is involuntarily terminated for any reason other than Cause within twelve (12) months following the date of the consummation of a Change in Control (a "**Change of Control Termination**"), all RSUs granted pursuant to this RSU Agreement which remain outstanding immediately prior to the Change of Control Termination shall immediately become fully vested, and the "Vesting Date" shall be the date of such Change of Control Termination.

Time Requirement:

[•][The Time Requirement refers to the following vesting requirements: 1/4 of the RSUs vest one year after the Vesting Commencement Date; the balance of the RSUs vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date.]

In the event the RSU Holder's Continuous Service is terminated for any reason (other than an involuntary termination that is a Change of Control Termination), all RSUs with respect to which the Time Requirement has not been satisfied as of the date of the RSU Holder's termination of Continuous Service shall automatically be forfeited upon such termination of Continuous Service and the RSU Holder shall have no further rights with respect to such forfeited RSUs. Upon termination of the RSU Holder's Continuous Service for any reason other than Cause, any RSUs with respect to which the Time Requirement has been satisfied shall (if a Liquidity Event has not previously occurred) remain outstanding until the first to occur of a Liquidity Event or the Expiration Date. In the event the RSU Holder's Continuous Service is terminated for Cause, all RSUs shall automatically be forfeited and the RSU Holder shall have no further rights with respect to such forfeited RSUs, regardless of whether and the extent to which the Time Requirement has been satisfied as of such termination. The Board or its designee shall have sole discretion to determine whether termination of Continuous Service has occurred, the effective date of such termination, and whether such termination was for Cause.

Liquidity Event Requirement:

[The Liquidity Event Requirement shall be satisfied on the first to occur of an Initial Public Offering (as defined in this RSU Grant Notice) or a Change in Control.

If a Liquidity Event does not occur on or before the Expiration Date, all RSUs (regardless of whether or not, or the extent to which, the Time Requirement has been previously satisfied as to such RSUs) shall automatically be forfeited upon the Expiration Date. Upon the forfeiture of any RSUs, the Participant shall have no further rights with respect to such RSUs.]¹

¹ For grants made through December 2020.

[The Liquidity Event Requirement shall be satisfied on the first to occur of an Initial Public Offering (as defined in this RSU Grant Notice) or a Change in Control (each, a “**Liquidity Event**”) prior to the Expiration Date; provided that, in the event the applicable Liquidity Event occurs on or prior to the first (1st) anniversary of the Vesting Commencement Date, the RSU Holder remains in Continuous Service through the date of such Liquidity Event. For the avoidance of doubt, if (i) a Liquidity Event does not occur on or before the Expiration Date or (ii) a Liquidity Event occurs on or prior to the first (1st) anniversary of the Vesting Commencement Date and the Participant does not remain in Continuous Service through the date of such Liquidity Event, then, in either case, the Liquidity Event Requirement will not be satisfied, and all RSUs (regardless of whether or not, or the extent to which, the Time Requirement has been previously satisfied as to such RSUs) shall automatically be forfeited and cancelled without the payment of any consideration upon the Expiration Date or the date of termination of Continuous Service, respectively. Upon the forfeiture of any RSUs, the Participant shall have no further rights with respect to such RSUs.]²

“**Initial Public Offering**” shall mean any public offering of the Company’s securities or listing of the Company’s securities for trading on any nationally or internationally recognized stock exchange.

Additional Terms/Acknowledgements:

RSU Holder acknowledges receipt of, and understands and agrees to, this RSU Grant Notice, the RSU Agreement and the Plan. RSU Holder acknowledges and agrees that this RSU Grant Notice and the RSU Agreement may not be modified, amended or revised except as provided in the Plan. RSU Holder further acknowledges that as of the Grant Date of this RSU Grant Notice, this RSU Grant Notice, the RSU Agreement, and the Plan set forth the entire understanding between RSU Holder and the Company regarding this RSU Award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) Stock Awards previously granted and delivered to RSU Holder, (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law and (iii) any written employment or severance arrangement that would provide for vesting acceleration of the RSUs upon the terms and conditions set forth therein.

² For grants made after December 2020.

By accepting this RSU Award, RSU Holder consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ATTACHMENTS: RSU AGREEMENT; 2015 EQUITY INCENTIVE PLAN

ATTACHMENT I

ROIVANT SCIENCES LTD.

RSU AWARD AGREEMENT

Pursuant to your Restricted Stock Unit Award Grant Notice (“**RSU Grant Notice**”) and this Restricted Stock Unit Award Agreement (this “**RSU Agreement**”), Roivant Sciences Ltd. (the “**Company**”) has granted you a Restricted Stock Unit Award (the “**RSU Award**”) under its 2015 Equity Incentive Plan (the “**Plan**”) of the number of Restricted Stock Units (the “**RSUs**”) set forth in your RSU Grant Notice. Each RSU is an obligation of the Company to deliver one common share of the Company (the “**Common Shares**”) after any applicable vesting restrictions with respect to the RSUs lapse. The RSUs are granted to you effective as of the date of grant set forth in the RSU Grant Notice (the “**Date of Grant**”). If there is any conflict between the terms in this RSU Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this RSU Agreement or in the RSU Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your RSUs, in addition to those set forth in the RSU Grant Notice and the Plan, are as follows:

1. **VESTING.** Your RSUs will vest as provided in your RSU Grant Notice.
2. **NUMBER OF SHARES.** The number of Common Shares subject to your RSUs will be adjusted for Capitalization Adjustments.
3. **NO RIGHTS AS A SHAREHOLDER PRIOR TO THE ISSUANCE OF COMMON SHARES.** Neither you nor any other person shall become the beneficial owner of the Common Shares underlying the RSUs, nor have any rights to dividends or other rights as a shareholder with respect to the Common Shares, until and after such Common Shares, if any, have been actually issued to you and entered into the books and records of the Company in accordance with the terms of the Plan and this RSU Agreement.
4. **WHOLE SHARES.** Your RSUs may be settled only for whole shares.
5. **SECURITIES LAW COMPLIANCE.**

(a) Your RSUs may not be settled unless the Common Shares issuable upon settlement are then registered under the Securities Act or, if not registered, the Company has determined that such settlement and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The settlement of your RSUs also must comply with all other all applicable laws, rules and regulations and any regulation, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Board shall, in its sole discretion, determine to be necessary. Your RSUs may not be settled if the Company determines that such settlement would not be in material compliance with such laws, rules, regulations, qualification, approvals or other requirements.

(b) If at any time the Common Shares are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and/or there is no current prospectus in effect under the Securities Act with respect to the Common Shares, you shall execute, prior to the delivery of any Common Shares to you by the Company pursuant to this RSU Agreement, an agreement (in such form as the Company may specify) in which you represent and warrant that you are acquiring the Common Shares delivered pursuant to this RSU Agreement for your own account, for investment only and not with a view to the resale or distribution thereof, and represent and agree that any subsequent offer for sale or distribution of any kind of such Common Shares shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Common Shares being offered or sold; or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption, you shall, prior to any offer for sale of such Common Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

6. SETTLEMENT.

(a) As soon as reasonably practicable following the Vesting Date set forth in the RSU Grant Notice (the “**Vesting Date**”), but in no event later than two and a half (2-1/2) months following the end of the year in which the Vesting Date occurs, the Company shall cause to be delivered to you, in full settlement and satisfaction of the vested RSUs, the Common Shares underlying such vested RSUs, subject to the satisfaction of applicable tax withholding obligations with respect thereto in accordance with this RSU Agreement.

(b) The obligation of the Company to deliver Common Shares hereunder upon settlement of your RSUs shall be subject in all respects to the terms of any Shareholders Agreement entered into by and among the Company and each of the shareholders of the Company that is a party thereto, as amended from time to time (the “**Shareholders Agreement**”). All Common Shares received upon any settlement of your RSUs shall be held subject to all of the terms and conditions of the Shareholders Agreement. By signing this letter, you agree to execute and become a party to the Shareholders Agreement as a condition to the grant of the RSUs and be subject to the rights and obligations thereunder, and the Company may require you to execute a joinder to the Shareholders Agreement and comply with any other related requirements in connection with the settlement of your RSUs.

(c) You hereby acknowledge and agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Common Shares or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or other applicable law or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472-or any successor or similar rules or regulation-(the “**Lock-Up Period**”); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further acknowledge and agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Common Shares until the end of such period. You also acknowledge and agree that any transferee of any Common Shares (or other securities) of the Company held by you will be bound by this Section 6(c). The underwriters of the Company’s stock are intended third party beneficiaries of this Section 6(c) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

7. TRANSFERABILITY. The RSUs shall not be transferable other than by will or the laws of descent and distribution; provided, however, that the Board may, in its discretion, permit the RSUs to be transferred subject to such conditions and limitations as may be imposed by the Board, subject to compliance with all applicable laws. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company designate a third party who, on or following your death will receive rights with respect of the RSUs, if any.

8. TERMINATION FOR CAUSE. In the event that your Continuous Service is terminated by the Company or any Subsidiary or Affiliate for Cause, all of your RSUs, whether or not vested, shall be automatically forfeited to the Company without consideration. In addition, the Board may require you to return to the Company any cash or Common Shares you received with respect to the settlement of your RSUs; provided that, if you disposed of any Common Shares you received with respect to the settlement of the RSUs, the Board may require you to pay to the Company, in cash, the Fair Market Value of such Common Shares as of the date of disposition. The Board shall exercise the right of recoupment provided for in this Section 8 within 180 days after the Board's discovery of the applicable activity constituting Cause or within any other period permitted pursuant to any applicable clawback or recoupment policy or as permitted by applicable law.

9. RSUs NOT A SERVICE CONTRACT. Your RSUs and this RSU Agreement are not an employment or service contract, and nothing in this RSU Agreement and nothing with respect to the RSUs will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in this RSU Agreement or with respect to your RSUs will obligate the Company or any Subsidiary or Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

10. THE PLAN. By accepting any benefit under this RSU Agreement, you and any person claiming a benefit under or through you shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this RSU Agreement and any action taken under the Plan by the Board, or the Company, in any case in accordance with the terms and conditions of the Plan. This RSU Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Board. In the event of any conflict between the provisions of the Plan and this RSU Agreement, the provisions of the Plan shall control, and this RSU Agreement shall be deemed to be modified accordingly.

11. WITHHOLDING OBLIGATIONS. At the time your RSUs are settled or as of any other date on which the value of your RSUs otherwise become includible in your gross income for tax purposes, any taxes of any kind required by applicable law to be withheld with respect to such RSUs may be satisfied by the Company withholding shares or cash otherwise deliverable or payable to you pursuant to this Agreement. In addition, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the settlement of your RSUs. Regardless of any action the Company or any Affiliate may take with respect to any or all tax withholding obligations, you acknowledge that the ultimate liability for all such taxes with respect to the RSUs is and remains your responsibility (or that of your beneficiary, if applicable).

12. TAX CONSEQUENCES. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Directors, Employees (including officers) or Affiliates related to tax liabilities arising from your RSUs or your other compensation. Because the Common Shares are not traded on an established securities market, the Fair Market Value is determined by the Board, perhaps in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the Internal Revenue Service will agree with the valuation as determined by the Board, and you will not make any claim against the Company, or any of its, Directors, Employees (including officers) or Affiliates in the event that the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service. This RSU Agreement and the RSUs are intended to be exempt from Section 409A of the Code, and shall be administered and construed in accordance with such intent.

13. NOTICES. Any notices provided related to your RSUs or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the RSUs by electronic means or to request your consent to participate in the Plan by electronic means. By accepting the RSUs, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ATTACHMENT II

ROIVANT SCIENCES LTD.

2015 EQUITY INCENTIVE PLAN

[Attached]

ROIVANT SCIENCES LTD.

2015 EQUITY INCENTIVE PLAN
PERFORMANCE OPTION GRANT NOTICE

Optionholder:	[NAME] (the “ <i>Optionholder</i> ”)
Company:	Roivant Sciences Ltd., a Bermuda exempted limited company (the “ <i>Company</i> ”)
Plan:	Roivant Sciences Ltd. 2015 Equity Incentive Plan (as amended, the “ <i>Plan</i> ”)
Notice:	The Optionholder has been granted an option to purchase the number of Common Shares set forth below (the “ <i>Performance Option</i> ”). The Performance Option is subject to the terms of this Performance Option Grant Notice, the Option Agreement, attached hereto as Attachment A, and the Notice of Exercise, attached hereto as Attachment B (such Grant Notice, Option Agreement and Notice of Exercise, collectively, this “ <i>Agreement</i> ”), and the Plan. Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Plan.
Type of Award:	Nonstatutory Stock Option
Common Shares Subject to Performance Option:	[#] Common Shares
Grant Date:	[DATE] (the “ <i>Grant Date</i> ”)
Vesting Commencement Date:	[DATE] (the “ <i>Vesting Commencement Date</i> ”)
Expiration Date:	[DATE] (the “ <i>Expiration Date</i> ”)
Exercise Price:	[\$●] per Common Share (the “ <i>Exercise Price</i> ”)
Vesting:	The Performance Option will vest and become exercisable on the first date that both of the “ <i>Service Requirement</i> ” and the “ <i>Liquidity Event Requirement</i> ” have been satisfied (together, the “ <i>Vesting Requirements</i> ”). Any portion of the Performance Option that has satisfied both of the Vesting Requirements as of any relevant date of determination will be deemed to be vested and exercisable for purposes of this Agreement.
Service Requirement:	The Service Requirement applicable to the Performance Option will be satisfied as follows, subject to the Optionholder’s Continuous Service through each of the dates set forth below (each a “ <i>Service Vesting Date</i> ”): <ul style="list-style-type: none">• 25% of the Common Shares underlying the Performance Option will satisfy the Service Requirement on the first-anniversary of the Vesting Commencement Date; and• following the first-anniversary of the Vesting Commencement Date, the remaining Common Shares underlying the Performance Option will thereafter satisfy the Service Requirement in 36 equal monthly installments.

Liquidity Event Requirement:

The Liquidity Event Requirement applicable to the Performance Option will be satisfied upon the first occurrence of either (i) a Change in Control or (ii) a Public Listing (as defined below), in either case prior to the Expiration Date (the date such Change in Control or Public Listing occurs, the "**Liquidity Event Date**"). For the avoidance of doubt, if the Liquidity Event Date does not occur on or before the Expiration Date, the Liquidity Event Requirement will not be deemed satisfied and no portion of the Performance Option will become vested and exercisable. In such case, the Performance Option will be immediately forfeited as of the Expiration Date without the delivery of Common Shares or the payment of any other consideration. For purposes of this Agreement, a "**Public Listing**" means the earliest to occur of (i) any underwritten public offering of equity securities of the Company pursuant to an effective registration statement under the Securities Act filed with the Securities and Exchange Commission or, at the discretion of the Board, in compliance with the applicable requirements of an internationally-recognized foreign securities exchange, (ii) at the discretion of the Board, the direct listing of the Company's equity securities on a national or internationally-recognized securities exchange, provided that in any such approval the Board may set forth criteria which must be met in order for such direct listing to qualify as a "Public Listing" for purposes of this Agreement with the goal of ensuring that such direct listing is reasonably expected to provide holders of the Company's equity securities with a sufficiently liquid trading market for the Company's equity securities, including without limitation, setting a minimum listing price or VWAP following the listing, or minimum volume requirements, (iii) the closing of an acquisition, purchase, merger or combination of the Company immediately following which the equity securities of the Company (or its successor by merger or combination) is listed or quoted for trading on a national securities exchange or, in the discretion of the Board, an internationally-recognized foreign securities exchange, or (iv) in the discretion of the Board, the closing of an acquisition, purchase, merger or combination of the Company immediately following which the Company is wholly-owned by an entity whose equity securities are listed or quoted for trading on a national securities exchange or a foreign securities exchange.

Payment of Exercise Price:

Upon the exercise by the Optionholder of any vested portion of the Performance Option, the Optionholder will pay to the Company the applicable aggregate Exercise Price of such exercised portion of the Performance Option by one or a combination of the following (as described in the Option Agreement):

- by cash, check, bank draft, wire transfer or money order payable to the Company; or
- by a "net exercise" arrangement.

Additional Terms/Acknowledgements:

The Optionholder acknowledges and agrees that this Agreement may not be modified, amended or revised, except as provided in the Plan. By accepting the Performance Option, the Optionholder consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ROIVANT SCIENCES LTD.

OPTIONHOLDER

Signature: _____
 Print Name: _____
 Title: _____

Signature: _____
 Print Name: _____
 Address: _____

ROIVANT SCIENCES LTD.

2015 EQUITY INCENTIVE PLAN
PERFORMANCE OPTION AGREEMENT

This Option Agreement (“**Option Agreement**”), dated as of the Grant Date set forth in the Performance Option Grant Notice to which this Option Agreement is attached (the “**Grant Notice**”), is made between Roivant Sciences Ltd. and the Optionholder designated in the Grant Notice. The Grant Notice, the Option Agreement and the Notice of Exercise (attached as Attachment B to the Grant Notice), collectively, are referred to herein as this “**Agreement**.”

1. **Vesting.** The Performance Option will vest as provided in the Grant Notice. Except as provided in the Grant Notice, vesting will cease upon the termination of the Optionholder’s Continuous Service.

2. **Number Of Shares And Exercise Price.** The number of Common Shares subject to the Performance Option and the Exercise Price applicable to the Performance Option, each as set forth in the Grant Notice, will be adjusted for Capitalization Adjustments.

3. **Exercise Restriction For Non-Exempt Employees.** If the Optionholder is an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (a “**Non-Exempt Employee**”), and except as otherwise provided in the Plan, the Optionholder may not exercise all or any portion of the Performance Option until the Optionholder has completed at least six (6) months of Continuous Service measured from the Grant Date, even if the Optionholder has already been an Employee for more than six (6) months. Consistent with the provisions of the Worker Economic Opportunity Act, the Optionholder may exercise any vested portion of the Performance Option prior to such six (6) month anniversary in the case of (i) the Optionholder’s death or disability, (ii) a Change in Control or (iv) the Optionholder’s termination of Continuous Service on the Optionholder’s “retirement” (as defined in the Company’s benefit plans).

4. **Method Of Payment.** Unless the Board determined otherwise, the Optionholder must pay the full amount of the aggregate Exercise Price for the Common Shares the Optionholder wishes to exercise. The Optionholder may pay the Exercise Price in cash or by check, bank draft, wire transfer or money order payable to the Company or in any other manner permitted by the Grant Notice.

5. **Whole Shares.** The Optionholder may exercise the Performance Option only for whole Common Shares.

6. **Securities Law Compliance.** In no event may the Optionholder exercise the Performance Option unless the Common Shares issuable upon exercise are then registered under the Securities Act or, if not registered, the Company has determined that the Optionholder’s exercise and the issuance of the Common Shares would be exempt from the registration requirements of the Securities Act. The exercise of the Performance Option also must comply with all other applicable laws and regulations governing the Performance Option, and the Optionholder may not exercise the Performance Option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable).

7. **Term.** The Optionholder may not exercise the Performance Option before the Grant Date or after the Expiration Date. Notwithstanding anything to the contrary in the Plan, any portion of the Performance Option that has satisfied both of the Vesting Requirements after the Grant Date will be exercisable (including following a termination of Continuous Service) until the earlier of (a) the Expiration Date and (b) the date of the termination of the Optionholder’s Continuous Service for Cause (such period of exercisability, the “Term”). Notwithstanding anything to the contrary herein, in no event will the Performance Option be exercisable after the Expiration Date.

8. Exercise.

- (a) The Optionholder may exercise any vested portion of the Performance Option during the Term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the aggregate Exercise Price and any applicable withholding taxes to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.
- (b) By exercising the Performance Option, the Optionholder agrees that, as a condition to any exercise of the Performance Option, the Company may require the Optionholder to enter into an arrangement providing for the payment by the Optionholder to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of the Performance Option, or (ii) the disposition of Common Shares acquired upon such exercise.
- (c) By exercising the Performance Option, the Optionholder agrees that the Optionholder will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Common Shares or other securities of the Company held by the Optionholder, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (the "**Lock-Up Period**"); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. The Optionholder further agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to any of the Optionholder's Common Shares until the end of such period. The Optionholder also agrees that any transferee of any Common Shares (or other securities) of the Company held by the Optionholder will be bound by this Section 8(c). The underwriters of the Company's stock are intended third party beneficiaries of this Section 8(c) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.
- (d) The Optionholder's Performance Option and the obligation of the Company to deliver the underlying Common Shares upon exercise of the Performance Option shall be subject in all respects to (i) all applicable federal and state laws, rules and regulations, (ii) any regulation, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Board shall, in its sole discretion, determine to be necessary or applicable and (iii) the terms of any Shareholders Agreement entered into by and among the Company and each of the shareholders of the Company that is a party thereto, as may be amended from time to time (the "**Shareholders Agreement**"). Moreover, the Performance Option may not be exercised if its exercise, or the receipt of Common Shares pursuant thereto, would be contrary to applicable law. All Common Shares received upon any exercise of the Performance Option shall be held subject to all of the terms and conditions of the Shareholders Agreement. The Optionholder hereby agrees to execute and become a party to the Shareholders Agreement as a condition to the grant of the Performance Option and be subject to the rights and obligations thereunder, and the Company may require the Optionholder to execute a joinder to the Shareholders Agreement in connection with the exercise of the Performance Option.

9. Transferability. Except as otherwise provided in Section 5 of the Plan, the Performance Option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during the Optionholder's life only by the Optionholder.

10. Right Of Repurchase. The Company will have the right to repurchase all of the Common Shares the Optionholder acquires pursuant to the exercise of the Performance Option upon termination of the Optionholder's Continuous Service for Cause. Such repurchase will be at the Exercise Price the Optionholder paid to acquire the Common Shares and will be effected pursuant to such other terms and conditions, and at such time, as the Company shall determine.

11. Option Not A Service Contract. The Performance Option is not an employment or service contract, and nothing in this Agreement or the Plan will be deemed to create in any way whatsoever any obligation on the Optionholder's part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue the Optionholder's employment. In addition, nothing in this Agreement or the Plan will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that the Optionholder might have as a Director or Consultant for the Company or an Affiliate.

12. Withholding Obligations.

- (a) At the time the Optionholder exercises the Performance Option, in whole or in part, and at any time thereafter as requested by the Company, the Optionholder hereby authorizes withholding from payroll and any other amounts payable to the Optionholder, and otherwise agrees to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of the Performance Option.
- (b) Upon the Optionholder's request, and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested Common Shares otherwise issuable to the Optionholder upon the exercise of the Performance Option a number of whole Common Shares having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of the Performance Option as a liability for financial accounting purposes). Any adverse consequences to the Optionholder arising in connection with such share withholding procedure shall be the Optionholder's sole responsibility.
- (c) The Optionholder may not exercise the Performance Option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, the Optionholder may not be able to exercise the Performance Option when desired even though the Performance Option (or any portion thereof) is vested, and the Company will have no obligation to issue a certificate for such Common Shares or release such Common Shares from any escrow provided for herein, if applicable, unless such obligations are satisfied.

13. Tax Consequences. The Optionholder hereby agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionholder's tax liabilities. The Optionholder will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Performance Option or the Optionholder's other compensation. In particular, the Optionholder acknowledges that this Performance Option is exempt from Section 409A of the Code only if the Exercise Price specified in the Grant Notice is at least equal to the "fair market value" per share of Common Share on the Grant Date and there is no other impermissible deferral of compensation associated with the option. Because the Common Shares are not traded on an established securities market, the Fair Market Value is determined by the Board, perhaps in consultation with an independent valuation firm retained by the Company. The Optionholder acknowledges that there is no guarantee that the Internal Revenue Service will agree with the valuation as determined by the Board, and the Optionholder will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service.

14. No Rights as a Shareholder Prior to Issuance of Common Shares. Neither the Optionholder nor any other person shall become the beneficial owner of the Common Shares underlying the Options, nor have any rights to voting, dividends or other rights as a shareholder with respect to any such Common Shares, until and after the Optionholder has exercised such Performance Options and the Common Shares underlying such Performance Options have been actually issued to the Optionholder and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this Agreement.

15. The Plan. By accepting any benefit under this Agreement, the Optionholder and any person claiming a benefit under or through the Optionholder shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

16. Notices. Any notices provided for in this Agreement or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to the Optionholder, five (5) days after deposit in the United States mail, postage prepaid, addressed to the Optionholder at the last address the Optionholder provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Performance Option by electronic means or to request the Optionholder's consent to participate in the Plan by electronic means. By accepting this Performance Option, the Optionholder consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ROIVANT SCIENCES LTD.
2015 EQUITY INCENTIVE PLAN
NOTICE OF EXERCISE

[Attached]

ROIVANT SCIENCES LTD.

2015 EQUITY INCENTIVE PLAN
CAPPED VALUE APPRECIATION RIGHT AWARD GRANT NOTICE¹

Participant:	[NAME] (the “ <i>Participant</i> ”)
Company:	Roivant Sciences Ltd., a Bermuda exempted limited company (the “ <i>Company</i> ”)
Plan:	Roivant Sciences Ltd. 2015 Equity Incentive Plan (as amended, the “ <i>Plan</i> ”)
Notice:	The Participant has been granted an award of Capped Value Appreciation Rights (“ <i>CVARs</i> ”) in accordance with the terms of this Grant Notice, the Capped Value Appreciation Right Award Agreement attached hereto as Attachment A (such Grant Notice and Award Agreement, collectively, this “ <i>Agreement</i> ”) and the Plan. Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Plan.
Type of Award:	A CVAR is an unfunded and unsecured conditional obligation of the Company that represents the right to receive the CVAR Amount (defined below), if any, applicable to the Participant’s award of CVARs, subject to the terms and conditions of this Agreement and those of the Plan. A CVAR is an Other Stock Award for purposes of the Plan.
CVARs:	[#] CVARs
Grant Date:	[DATE] (the “ <i>Grant Date</i> ”)
Vesting Commencement Date:	[DATE] (the “ <i>Vesting Commencement Date</i> ”)
Expiration Date:	[DATE] (the “ <i>Expiration Date</i> ”)
Hurdle Price:	[\$●] per CVAR (the “ <i>Hurdle Price</i> ”)
Vesting:	The CVARs will vest on the first date that both of the “ <i>Service Requirement</i> ” and the “ <i>Liquidity Event Requirement</i> ” have been satisfied (together, the “ <i>Vesting Requirements</i> ”). The portion of the CVARs that have satisfied both of the Vesting Requirements in accordance with this Agreement as of any relevant date of determination are referred to as the “ <i>Vested CVARs</i> ”.
Service Requirement:	The Service Requirement applicable to the CVARs will be satisfied as follows, subject to the Participant’s Continuous Service through each of the dates set forth below (each a “ <i>Service Vesting Date</i> ”): <ul style="list-style-type: none"> • 25% of the CVARs will satisfy the Service Requirement on the first-anniversary of the Vesting Commencement Date; and • following the first-anniversary of the Vesting Commencement Date, the remaining portion of the CVARs will thereafter satisfy the Service Requirement in 36 equal monthly installments.

¹ The CVARs that were granted on March 26, 2020 were amended effective as of March 30, 2022. For a description of this amendment, see page 24 of the Company’s Definitive Proxy Statement on Schedule 14A (under the heading “CVAR Amendment”), filed with the Securities and Exchange Commission on July 26, 2022.

Liquidity Event Requirement:

The Liquidity Event Requirement applicable to the CVARs will be satisfied upon the first occurrence of either (i) a Change in Control or (ii) a Public Listing (as defined below), in either case prior to the Expiration Date (the date such Change in Control or Public Listing occurs, the “**Liquidity Event Date**”). For the avoidance of doubt, if the Liquidity Event Date does not occur on or before the Expiration Date, the Liquidity Event Requirement will not be deemed satisfied and no portion of the CVARs will be deemed Vested CVARs. In such case, all of the CVARs will be immediately forfeited as of the Expiration Date without the payment of any consideration.

For purposes of this Agreement, a “**Public Listing**” means the earliest to occur of (i) any underwritten public offering of equity securities of the Company pursuant to an effective registration statement under the Securities Act filed with the Securities and Exchange Commission or, at the discretion of the Board, in compliance with the applicable requirements of an internationally-recognized foreign securities exchange, (ii) at the discretion of the Board, the direct listing of the Company’s equity securities on a national or internationally-recognized securities exchange, provided that in any such approval the Board may set forth criteria which must be met in order for such direct listing to qualify as a “Public Listing” for purposes of this Agreement with the goal of ensuring that such direct listing is reasonably expected to provide holders of the Company’s equity securities with a sufficiently liquid trading market for the Company’s equity securities, including without limitation, setting a minimum listing price or VWAP following the listing, or minimum volume requirements, (iii) the closing of an acquisition, purchase, merger or combination of the Company immediately following which the equity securities of the Company (or its successor by merger or combination) is listed or quoted for trading on a national securities exchange or, in the discretion of the Board, an internationally-recognized foreign securities exchange, or (iv) in the discretion of the Board, the closing of an acquisition, purchase, merger or combination of the Company immediately following which the Company is wholly-owned by an entity whose equity securities are listed or quoted for trading on a national securities exchange or a foreign securities exchange.

Each of a Change in Control and a Public Listing are referred to herein as a “**Liquidity Event**”.

CVAR Amount and Payment Terms: [Subject to the Knock-in Condition below,] upon the first occurrence of a Liquidity Event, with respect to any CVARs that have satisfied the Service Requirements on or before the Liquidity Payment Date (as defined below) (such CVARs, the “**Liquidity Vested CVARs**”), the Participant will receive an aggregate amount equal to the product of (i) the number of the Liquidity Vested CVARs held by the Participant *multiplied by* (ii) the excess of (a) the Fair Market Value of a Common Share as of the Liquidity Payment Date (up to a maximum of \$[●] per Common Share) *over* (b) the applicable Hurdle Price (the “**Liquidity CVAR Amount**”), and the Liquidity Vested CVARs will be cancelled in exchange for payment of the Liquidity CVAR Amount. For the avoidance of doubt, in no event will the Fair Market Value of a Common Share used to determine the Liquidity CVAR Amount, if any, be greater than \$[●] per Common Share.

- The Liquidity CVAR Amount payable in respect of the Liquidity Vested CVARs will be settled and paid out automatically on the earlier of (i) the 6-month anniversary of the Liquidity Event Date and (ii) the date that is 2 ½ months after the end of the fiscal year in which the Liquidity Event Date occurs (such date, the “**Liquidity Payment Date**”).
- For the avoidance of doubt, if, as of the Liquidity Payment Date applicable to any Liquidity Vested CVARs, the Fair Market Value of a Common Share is equal to or less than the Hurdle Price, such Liquidity Vested CVARs shall not qualify as Vested CVARs and will be cancelled as of the Liquidity Payment Date for no consideration.

[Subject to the Knock-in Condition below,] if the Liquidity Payment Date occurs prior to the final Service Vesting Date applicable to the CVARs, then, with respect to any of the CVARs that have not yet satisfied the Service Requirements as of the Liquidity Payment Date, to the extent that the Participant subsequently satisfies the applicable Service Requirements (i.e., because the Participant remains in Continuous Service through the applicable Service Vesting Date), as of each applicable Subsequent Payment Date (as defined below), the Participant will receive an amount equal to the product of (i) the number of such CVARs held by the Participant that became Vested CVARs on the applicable Service Vesting Date (the “**Subsequent Vested CVARs**”) *multiplied by* (ii) the excess of (a) the Fair Market Value of a Common Share on the applicable Service Vesting Date (up to a maximum of \$[●] per Common Share) *over* (b) the applicable Hurdle Price (the “**Subsequent CVAR Amount**” and, together with the Liquidity CVAR Amount, the “**CVAR Amount**”), and the Subsequent Vested CVARs will be cancelled in exchange for payment of the Subsequent CVAR Amount. For the avoidance of doubt, in no event will the Fair Market Value of a Common Share used to determine the Subsequent CVAR Amount, if any, be greater than \$[●] per Common Share.

- The Subsequent CVAR Amount payable in respect of the Subsequent Vested CVARs will be settled and paid out automatically within [●] days following the applicable Service Vesting Date of such Subsequent Vested CVARs, *provided* that if such [●]-day period includes days in two calendar years, such CVAR Amount will be paid in the second of the two calendar years; *provided further* that with respect to any Subsequent Vested CVAR that becomes vested between the Liquidity Event Date and the Liquidity Payment Date, the applicable CVAR Amount will not be payable prior to the Liquidity Payment Date (the “**Subsequent Payment Date**”).
- For the avoidance of doubt, if, as of any Service Vesting Date applicable to any Subsequent Vested CVAR, the Fair Market Value of a Common Share is equal to or less than the Hurdle Price, such Subsequent Vested CVARs shall not qualify as Vested CVARs and will be cancelled as of the applicable Service Vesting Date for no consideration.

For purposes of this Agreement, the “**Payment Date**” means the date the CVARs are settled and paid to the Participant in accordance with the terms of this Agreement.

“Knock-in” Condition:

Liquidity Vested CVARs will not be entitled to receive any Liquidity CVAR Amount if the Fair Market Value of a Common Share is less than \$[●] per Common Share as of the Liquidity Payment Date, and Subsequent Vested CVARs will not be entitled to receive any Subsequent CVAR Amount if the Fair Market Value of a Common Share as of the Service Vesting Date applicable to such Subsequent Vested CVARs is less than \$[●] per Common Share (attainment of a Fair Market Value equal to or greater than \$[●] per Common Share as of the relevant date, the “**Knock-in Condition**”).

Instead, any Liquidity Vested CVARs that, as of the Liquidity Payment Date, have satisfied the Hurdle Price but have not satisfied the Knock-in Condition, and any Subsequent Vested CVARs that, as of their applicable Service Vesting Date, have satisfied the Hurdle Price but have not satisfied the Knock-in Condition, will remain outstanding and will only be settled if, on any Measurement Date (as defined below) that occurs after the Liquidity Payment Date or the applicable Service Vesting Date, respectively, the Knock-in Condition is satisfied. Upon the applicable Vested CVARs satisfying the Knock-in Condition as of a Measurement Date, such applicable Vested CVARs will be settled and paid out to the Participant within [●] days after such Measurement Date, with the CVAR Amount applicable to such Vested CVARs calculated based on the Fair Market Value of a Common Share on such applicable Measurement Date.

For the avoidance of doubt, (i) the Participant is not required to remain in Continuous Service through the Measurement Date on which the Knock-in Condition is satisfied in order to receive a CVAR Payment in respect of the Participant’s Vested CVARs and (ii) if the Knock-in Condition is not satisfied for any CVARs on or before the Expiration Date, the CVARs will be cancelled on the Expiration Date for no consideration.

For purposes of this Agreement the “**Measurement Date**” means the [●] day of each calendar month that occurs after the Liquidity Payment Date and before the Expiration Date.

Form of Payment:

The CVAR Amount payable in respect of the Vested CVARs will be paid to the Participant in the form of Common Shares (such Common Shares, the “**CVAR Shares**”), with the number of such CVAR Shares to be determined by dividing (i) the applicable CVAR Amount by (ii) the Fair Market Value of a Common Share on the applicable Payment Date (with any fractional CVAR Shares paid to the Participant in the form of cash).

Expiration:

Any CVARs for which the Liquidity Event Date has not occurred as of the Expiration Date will be cancelled without consideration as of the Expiration Date.

**Additional Terms/
Acknowledgements:**

The Participant acknowledges receipt of, and understands and agrees to, this Agreement and the Plan. The Participant acknowledges and agrees that this Agreement may not be modified, amended or revised, except as provided in the Plan. By accepting this award of CVARs, the Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ROIVANT SCIENCES LTD.

PARTICIPANT

Signature: _____
Print Name: _____
Title: _____

Signature: _____
Print Name: _____
Address: _____

ROIVANT SCIENCES LTD.

2015 EQUITY INCENTIVE PLAN
VALUE APPRECIATION RIGHT AWARD AGREEMENT

This Value Appreciation Right Award Agreement (“**CVAR Award Agreement**”), dated as of the Grant Date set forth in the Value Appreciation Right Grant Notice to which this CVAR Award Agreement is attached (the “**Grant Notice**”), is made between Roivant Sciences Ltd. and the Participant designated in the Grant Notice. The Grant Notice and the CVAR Award Agreement, collectively, are referred to herein as this “**Agreement**.”

1. Definitions. Capitalized terms used but not defined herein have the meaning set forth in the Plan or the Grant Notice, as applicable.
2. Grant of Value Appreciation Rights. Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant the number of CVARs set forth in the Grant Notice.
3. Vesting and Forfeiture.
 - (a) The CVARs shall vest and become payable as set forth in the Grant Notice.
 - (b) Upon the termination of the Participant’s Continuous Service for any reason other than for Cause prior to the occurrence of a Liquidity Event, (i) any CVARs that have satisfied the Service Requirements as of the date of such termination of Continuous Service (such date, the “**Termination Date**”) will remain outstanding and will become Vested CVARs and will be settled and cancelled in accordance with the terms set forth in the Grant Notice upon the satisfaction of the Liquidity Event Requirement and (ii) any CVARs that have not satisfied the Service Requirements as of the Termination Date shall automatically be forfeited and cancelled without the payment of any consideration to the Participant, and the Participant shall have no further rights with respect to such CVARs.
 - (c) For the avoidance of doubt, upon the termination of the Participant’s Continuous Service for any reason (other than for Cause) after the occurrence of a Liquidity Event, any CVARs that have become Vested CVARs (as a result of having satisfied the Service Requirements prior to the Termination Date) which have not yet been settled and cancelled, will be settled and cancelled on the applicable Subsequent Payment Date in accordance with the Grant Notice, and any CVARs that have not become Vested CVARs (as a result of not having satisfied the Service Requirements prior to the Termination Date) will be automatically forfeited and cancelled without the payment of any consideration to the Participant, and the Participant shall have no further rights with respect to such CVARs.
 - (d) Notwithstanding anything to the contrary in this Agreement, (i) in the event of a Participant’s termination of Continuous Service for Cause, all of the Participant’s outstanding CVARs which have not been previously settled will be immediately forfeited and cancelled without the payment of any consideration and (ii) in the event a Liquidity Event does not occur on or prior to the Expiration Date, all of the Participant’s CVARs shall be automatically forfeited upon the Expiration Date without the payment of any consideration to the Participant, and the Participant shall have no further rights with respect to such CVARs.
4. Settlement of CVARs. The Company will settle and pay the Participant in respect of his or her Vested CVARs in accordance with the terms of the Grant Notice, in full settlement and satisfaction of the Vested CVARs, in each case, subject to satisfaction of applicable tax withholding obligations with respect thereto in accordance with Section 5 of this Agreement.

5. Taxes. Upon settlement of the CVARs, or as of any other date on which the value of any CVARs otherwise becomes includible in the Participant's gross income for tax purposes, any taxes of any kind required by applicable law to be withheld with respect to such CVARs shall, at the Participant's election, be satisfied by the Company withholding Common Shares or cash otherwise deliverable or payable to the Participant pursuant to this Agreement. Any such withholding of Common Shares or cash under this Section 5 shall be subject to applicable law and subject to any limitations, and pursuant to any procedures, as the Committee may prescribe, based on the Fair Market Value of the Common Shares on the Payment Date. The Company or Subsidiary of the Company may, in the discretion of the Committee and in consultation with the Participant, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Section 5 of the Plan. Regardless of any action the Company or any Subsidiary of the Company may take with respect to any or all tax withholding obligations, the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant's responsibility (or that of the Participant's beneficiary).

6. No Rights as a Shareholder Prior to Issuance of Common Shares. Neither the Participant nor any other person shall become the beneficial owner of the Common Shares underlying the CVARs, nor have any rights to voting, dividends or other rights as a shareholder with respect to any such Common Shares, until and after such Common Shares, if any, have been actually issued to the Participant and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this Agreement.

7. Transferability. The CVARs shall not be transferable other than by will or the laws of descent and distribution; *provided, however*, that the Committee may, in its discretion, permit the CVARs to be transferred subject to such conditions and limitations as may be imposed by the Committee.

8. Capitalization Adjustments. The number of CVARs and the Hurdle Price applicable to the CVARs, each as set forth in the Grant Notice, will be adjusted for Capitalization Adjustments.

9. No Right as Employee or Consultant. Neither the grant of the CVARs nor any terms contained in this Agreement shall (i) affect in any manner whatsoever the right or power of the Company or any Subsidiary of the Company, to terminate the Participant's service for any reason, with or without cause, (ii) if applicable, affect the Participant's status as an at-will employee of the Company who is subject to termination of service without cause, (iii) confer upon the Participant any right to remain employed by or in service to the Company or any Subsidiary of the Company, (iv) interfere in any way with the right of the Company or any Subsidiary of the Company at any time to terminate such employment or service, or (v) affect the right of the Company or any Subsidiary of the Company to increase or decrease the Participant's other compensation.

10. The Plan. By accepting any benefit under this Agreement, the Participant and any person claiming a benefit under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

11. Compliance with Laws and Regulations.

- (a) The CVARs and the obligation of the Company to deliver any Common Shares or cash hereunder shall be subject in all respects to (a) all applicable federal and state laws, rules and regulations and (b) any registration, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Committee shall, in its discretion, determine to be necessary or applicable. Moreover, the Company shall not deliver any certificates for Common Shares to the Participant or any other person pursuant to this Agreement if doing so would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration or qualification of Common Shares upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any certificates for Common Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

- (b) If at any time the Common Shares are not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Common Shares, the Participant shall execute, prior to the delivery of any Common Shares to the Participant by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Participant represents and warrants that the Participant is acquiring the Common Shares acquired under this Agreement for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Common Shares shall be made only pursuant to either (a) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Common Shares being offered or sold; or (b) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption, the Participant shall, prior to any offer for sale of such Common Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.
- (c) The Participant's CVARs and any obligation of the Company to deliver the underlying Common Shares, if any, upon settlement of the CVARs shall be subject in all respects to (i) all applicable federal and state laws, rules and regulations, (ii) any regulation, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Board shall, in its sole discretion, determine to be necessary or applicable and (iii) the terms of any Shareholders Agreement entered into by and among the Company and each of the shareholders of the Company that is a party thereto, as may be amended from time to time (the "**Shareholders Agreement**"). Moreover, the CVARs may not be settled if its settlement, or the receipt of Common Shares pursuant thereto, would be contrary to applicable law. Any Common Shares received upon any settlement of the CVARs shall be held subject to all of the terms and conditions of the Shareholders Agreement. The Participant hereby agrees to execute and become a party to the Shareholders Agreement as a condition to the grant of the CVARs and be subject to the rights and obligations thereunder, and the Company may require the Participant to execute a joinder to the Shareholders Agreement in connection with the settlement of the CVARs for Common Shares.

12. Market Standoff Agreement. The Participant agrees that in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, the Participant will not sell or otherwise dispose of any Common Shares without the prior written consent of the Company or such underwriters, as the case may be, for such reasonable period of time after the effective date of such registration as may be requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify. The Participant will enter into any agreement reasonably required by the underwriters to implement the foregoing.

13. Notices. Any notices provided for in this Agreement or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to the Participant, five (5) days after deposit in the United States mail, postage prepaid, addressed to the Participant at the last address the Participant provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this award by electronic means or to request the Participant's consent to participate in the Plan by electronic means. By accepting this award, the Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

14. Other Plans. The Participant acknowledges that any income derived from any CVARs shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Subsidiary of the Company.

15. Section 409A. The CVARs and all payments made pursuant to this Agreement are intended to be exempt and/or comply with Section 409A of the Code, and shall be interpreted on a basis consistent with such intent. However, nothing herein will be construed as a guarantee by the Company of any particular tax effect to the Participant under this Agreement. The Company will not be liable to the Participant for any additional tax, penalty or interest that may be imposed on the Participant pursuant to Section 409A of the Code or damages incurred by the Participant as a result of this Agreement (and the payment and benefits hereunder) failing to comply with, or be exempt from, Section 409A of the Code.

**ROIVANT SCIENCES LTD.
STOCK OPTION GRANT NOTICE
(2021 EQUITY INCENTIVE PLAN)**

Roivant Sciences Ltd. (the “**Company**”), pursuant to its 2021 Equity Incentive Plan (the “**Plan**”), hereby grants to the Participant an option to purchase the number of common shares of the Company (each, a “**Common Share**”) as set forth below. This option is subject to all of the terms and conditions as set forth in this stock option grant notice (this “**Stock Option Grant Notice**”), the option agreement (the “**Option Agreement**”), the Plan and the notice of exercise (or such other form of notice of exercise as approved by the Committee from time to time, the “**Notice of Exercise**”), all of which are attached hereto and incorporated into this Stock Option Grant Notice in their entirety. Capitalized terms not explicitly defined in this Stock Option Grant Notice but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms in this Stock Option Grant Notice and the Plan, the terms of the Plan will control.

Participant: [●]

Grant Date: [●]

Vesting Commencement Date: [●]

Number of Shares Subject to Option: [●]

Exercise Price (Per Share): [●]

Expiration Date: [●]

Type of Grant: Incentive Stock Option¹ Nonstatutory Stock Option

Exercise Schedule: Same as Vesting Schedule

Vesting Schedule: [●][1/4th of the Common Shares underlying the option will vest one year after the Vesting Commencement Date; the balance of the Common Shares will vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date, subject to the Participant’s Continuous Service through the applicable vesting date.]

[In the event the Participant’s Continuous Service is terminated for any reason [(other than an involuntary termination that is a Change in Control Termination)], the option will cease vesting and any portion of the option that has not yet vested as of the date of the Participant’s termination of Continuous Service shall automatically be forfeited and cancelled upon such termination of Continuous Service and the Participant shall have no further rights or entitlements with respect such forfeited portion of the option.]

¹ If this is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options held by the Participant) cannot be first exercisable by the Participant for more than \$100,000 in value (measured by exercise price) in any calendar year. Any excess over \$100,000 is a Nonstatutory Stock Option.

[Notwithstanding anything to the contrary in this Stock Option Grant Notice, if the Participant's Continuous Service is involuntarily terminated without Cause [within [twelve (12) months][●]][at any time]² following the date of the consummation of a Change in Control (as defined in the Plan) (a "**Change in Control Termination**"), all shares underlying this option shall automatically and immediately become fully vested.]

[Notwithstanding anything to the contrary in this Stock Option Grant Notice, In the event of a Change in Control (as defined in the Plan), all shares underlying this option shall automatically and immediately become fully vested.]³

[Release of Claims:

The Participant agrees and acknowledges that the vesting and exercisability of the option is conditioned upon the Participant's timely execution and non-revocation of the release of claims provided to the Participant by the Company on [DATE] (the "**Release**"). Accordingly, and notwithstanding anything to the contrary herein, in the event the Participant fails to timely execute the Release within the consideration period set forth in the Release, or the Participant timely executes the Release but thereafter revokes the Release, the option shall be automatically forfeited and cancelled in its entirety immediately following the expiration of such consideration period or upon the revocation of the Release, as applicable.]⁴

Payment:

By one or a combination of the following items (described in the Option Agreement):

- By cash, check, bank draft, wire transfer or money order payable to the Company.
- If and only to the extent this option is a Nonstatutory Stock Option, and subject to the Company's consent at the time of exercise, by a "net exercise" arrangement.

² Used only for 2021 executive annual option grants.

³ For Director grants only.

⁴ For annual employee grants only.

Additional Terms/Acknowledgements: The Participant acknowledges receipt of, and understands and agrees to, this Stock Option Grant Notice, the Option Agreement and the Plan. The Participant acknowledges and agrees that this Stock Option Grant Notice and the Option Agreement may not be modified, amended or revised except as provided in the Plan. The Participant further acknowledges that as of the Grant Date, this Stock Option Grant Notice, the Option Agreement and the Plan set forth the entire understanding between the Participant and the Company regarding this option award and supersede all prior oral and written agreements, promises and/or representations on that subject, with the exception of (i) Stock Awards previously granted and delivered to the Participant [and], (ii) any compensation recovery policy or share ownership guidelines that is adopted by the Company or is otherwise required by applicable law [and (iii) any written employment or severance arrangement that would provide for vesting acceleration of this option upon the terms and conditions set forth therein].

By accepting this option, the Participant hereby consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ATTACHMENTS: Option Agreement, 2021 Equity Incentive Plan and Notice of Exercise

ATTACHMENT I

ROIVANT SCIENCES LTD.

OPTION AGREEMENT (INCENTIVE STOCK OPTION OR NONSTATUTORY STOCK OPTION)

Pursuant to your Stock Option Grant Notice (“**Stock Option Grant Notice**”) and this Option Agreement (this “**Option Agreement**”), Roivant Sciences Ltd. (the “**Company**”) has granted you an option under its 2021 Equity Incentive Plan (the “**Plan**”) to purchase the number of common shares of the Company (each, a “**Common Share**”) indicated in your Stock Option Grant Notice at the exercise price indicated in your Stock Option Grant Notice. The option is granted to you effective as of the grant date set forth in the Stock Option Grant Notice (the “**Grant Date**”). If there is any conflict between the terms in this Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this Option Agreement or in the Stock Option Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The terms and conditions of your option, in addition to those set forth in the Stock Option Grant Notice and the Plan, are as follows:

1. **VESTING.** Your option will vest as provided in your Stock Option Grant Notice. Vesting will cease upon the termination of your Continuous Service.
2. **NUMBER OF SHARES AND EXERCISE PRICE.** The number of Common Shares subject to your option and the exercise price per share applicable to your option, as set forth in your Stock Option Grant Notice, will be adjusted for Capitalization Adjustments.
3. **NO RIGHTS AS A SHAREHOLDER PRIOR TO THE ISSUANCE OF COMMON SHARES.** Neither you nor any other Person shall become the beneficial owner of the Common Shares underlying the option nor have any rights to dividends or other rights as a shareholder with respect to the Common Shares (including voting rights), until and after such Common Shares, if any, have been actually issued to you and entered into the books and records of the Company in accordance with the terms of the Plan and this Option Agreement on or following the exercise of your option (or any portion thereof).
4. **[EXERCISE RESTRICTION FOR NON-EXEMPT EMPLOYEES.** If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (that is, a “**Non-Exempt Employee**”), and except as otherwise provided in the Plan, you may not exercise your option until you have completed at least six (6) months of Continuous Service measured from the Grant Date, even if you have already been an employee for more than six (6) months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise your option as to any vested portion prior to such six (6) month anniversary in the case of (i) your death or disability, (ii) a Change in Control or (iv) your termination of Continuous Service on your “retirement” (as defined in the Company’s benefit plans).]
5. **METHOD OF PAYMENT.** You must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft, wire transfer or money order payable to the Company or in any other manner permitted by your Stock Option Grant Notice.

6. WHOLE SHARES. You may exercise your option only for whole Common Shares.

7. SECURITIES LAW COMPLIANCE. In no event may you exercise your option unless the Common Shares issuable upon exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with all other applicable laws, rules and regulations governing your option and any regulation, qualification, approvals or other requirements imposed by any government or regulatory agency or body, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws, rules, regulations, qualification, approvals or other requirements (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable).

8. TERM. You may not exercise your option before the Grant Date or after the expiration of the option's term. Subject to Section 5(h) of the Plan, the term of your option expires upon the earliest of the following:

- (a) immediately upon the termination of your Continuous Service for Cause;
- (b) the three (3) month anniversary of the termination of your Continuous Service for any reason other than (i) for Cause, (ii) your Disability or (iii) your death;
- (c) the twelve (12) month anniversary of the termination of your Continuous Service as a result of your Disability;
- (d) the eighteen (18) month anniversary of the termination of your Continuous Service as a result of your death;
- (e) the Expiration Date indicated in your Stock Option Grant Notice; and
- (f) the day before the tenth (10th) anniversary of the Grant Date.

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Grant Date and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

9. EXERCISE.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Stock Option Grant Notice so permits) during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable withholding taxes to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option or (ii) the disposition of Common Shares acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the Common Shares issued upon exercise of your option that occurs within two (2) years after the Grant Date or within one (1) year after such Common Shares are transferred upon exercise of your option.

(d) By exercising your option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Common Shares or other securities of the Company held by you, for a period of up to one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or other applicable law, in each case if so requested by the Company or the underwriter in connection therewith (the “**Lock-Up Period**”); *provided, however*, that nothing contained in this Section 9(d) will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Common Shares until the end of such period. You also agree that any transferee of any Common Shares (or other securities) of the Company held by you will be bound by this Section 9(d).

(e) The Common Shares issued upon the exercise of your option (or any portion thereof) may be endorsed with appropriate legends as determined by the Company.

10. TRANSFERABILITY. Except as otherwise provided in Section 5 of the Plan, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

11. TERMINATION OF CONTINUOUS SERVICE; RECOUPMENT. The Committee (or its delegate) shall have the sole discretion to determine whether a termination of Continuous Service has occurred, the effective date of such termination, and whether such termination was for Cause. The Board may require you to return to the Company any Common Shares you received with respect to the exercise of your option; *provided* that, if you disposed of any Common Shares you received with respect to the exercise of your option, the Board may require you to pay to the Company, in cash, the Fair Market Value of such Common Shares as of the date of disposition. The Board shall exercise the right of recoupment provided for in this Section 11 within 180 days after the Board’s discovery of the applicable activity constituting Cause or within any other period permitted pursuant to any applicable clawback or recoupment policy or as permitted by applicable law. In addition, your option (and the Common Shares underlying your option) shall be subject to clawback or recoupment as contemplated by Section 8(l) of the Plan or otherwise pursuant to any applicable Company policy in effect from time to time or applicable law.

12. OPTION NOT A SERVICE CONTRACT. Your option and this Option Agreement are not an employment or service contract, and nothing in this Option Agreement and nothing with respect to your option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in this Option Agreement or with respect to your option will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as an employee, director or Consultant for the Company or an Affiliate.

13. THE PLAN. By accepting any benefit under this Option Agreement, you and any Person claiming a benefit under or through you shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Option Agreement and any action taken under the Plan by the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. This Option Agreement is subject to all the terms, provisions and conditions of the Plan (including, without limitation, Section 8(l) of the Plan), which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. In the event of any conflict between the provisions of the Plan and this Option Agreement, the provisions of the Plan shall control, and this Option Agreement shall be deemed to be modified accordingly.

14. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, and at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a “same day sale” pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) If this option is a Nonstatutory Stock Option, then upon your request and subject to approval by the Committee, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested Common Shares otherwise issuable to you upon the exercise of your option a number of whole Common Shares having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your option as a liability for financial accounting purposes). Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company will have no obligation to issue a certificate for such Common Shares or release such Common Shares from any escrow provided for herein, if applicable, unless such obligations are satisfied.

15. SECTION 280G. Notwithstanding anything to the contrary herein, except as may otherwise be expressly provided in any written agreement between you and the Company or any of its Subsidiaries or Affiliates, if you would be entitled to payments or benefits under this Option Agreement or under any other plan, program, agreement or arrangement that would constitute “parachute payments” as defined in Section 280G of the Code and could result in any such payment or benefit being subject to an excise tax under Section 4999 of the Code, the present value of such payments and benefits will be reduced by the minimum amount necessary such that the aggregate present value of such payments and benefits do not trigger the excise tax; *provided, however*, no such reductions shall be given effect if you would be entitled to greater payments and benefits on an after-tax basis (taking into account the excise tax imposed pursuant to Section 4999 of the Code, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income and employment taxes) than if such reductions were to be implemented. Except as otherwise expressly provided in any written agreement between you and the Company or any of its Subsidiaries or Affiliates, all determinations in applying the foregoing provisions for purposes of the “golden parachute” rules under Sections 280G and 4999 of the Code will be made by the Company and shall be final and binding on you and the Company.

16. TAX CONSEQUENCES. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your option or your other compensation. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Stock Option Grant Notice is at least equal to the "fair market value" per share of Common Share on the Grant Date and there is no other impermissible deferral of compensation associated with the option. The Company shall not be liable to you for any adverse tax consequences to you arising in connection with this option. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this option and by accepting this option, you have agreed that you have done so or knowingly and voluntarily declined to do so. You further understand that you (and not the Company) shall be responsible for your own tax liability that may arise in connection with this option.

17. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of this option shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored or maintained by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

18. NOTICES. Any notices related to your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. SEVERABILITY. If all or any part of this Option Agreement or the Plan is declared by any court or governmental authority of competent jurisdiction to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any provision of this Option Agreement or the Plan so declared to be unlawful or invalid shall, to the extent possible, be construed in a manner which will give effect to the terms of such provision to the fullest extent possible while remaining lawful and valid.

ATTACHMENT II

ROIVANT SCIENCES LTD.

2021 EQUITY INCENTIVE PLAN

[Attached]

ATTACHMENT III

NOTICE OF EXERCISE

[Attached]

ROIIVANT SCIENCES LTD.
RESTRICTED STOCK UNIT AWARD GRANT NOTICE
(2021 EQUITY INCENTIVE PLAN)

Roivant Sciences Ltd. (the “**Company**”), pursuant to its 2021 Equity Incentive Plan (the “**Plan**”), hereby grants to the Participant a Restricted Stock Unit Award (the “**RSU Award**”) of the number of Restricted Stock Units (each an “**RSU**”, and together, the “**RSUs**”) as set forth below. Each RSU is an obligation of the Company to deliver one common share of the Company (each, a “**Common Share**”) after any applicable vesting restrictions with respect to the RSUs lapse. The RSUs are subject to all of the terms and conditions as set forth in this restricted stock unit award grant notice (this “**RSU Grant Notice**”), the restricted stock unit award agreement (the “**RSU Agreement**”) and the Plan, both of which are attached hereto and incorporated into this RSU Grant Notice in their entirety. Capitalized terms not explicitly defined in this RSU Grant Notice but defined in the Plan or the RSU Agreement will have the same definitions as in the Plan or the RSU Agreement. If there is any conflict between the terms in this RSU Grant Notice and the Plan, the terms of the Plan will control.

Participant: [●]

Grant Date: [●]

Number of RSUs: [●]

Vesting Commencement Date: [●]

Vesting Schedule: [●][1/4 of the RSUs vest one year after the Vesting Commencement Date; the balance of the RSUs vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date, subject to the Participant’s Continuous Service through the applicable vesting date.]

In the event the Participant’s Continuous Service is terminated for any reason [(other than an involuntary termination that is a Change in Control Termination)], all RSUs will cease vesting and all RSUs that have not yet vested as of the date of the Participant’s termination of Continuous Service shall automatically be forfeited and cancelled upon such termination of Continuous Service and the Participant shall have no further rights or entitlements with respect to such forfeited RSUs.

[Notwithstanding anything to the contrary in this RSU Grant Notice, if the Participant’s Continuous Service is involuntarily terminated without Cause [within twelve (12) months][●] following the date of the consummation of a Change in Control (a “**Change in Control Termination**”), all RSUs granted pursuant to this RSU Grant Notice which remain outstanding as of immediately prior to the Change in Control Termination shall immediately become fully vested.]

[Notwithstanding the foregoing, in the event of a Change in Control, all RSUs granted pursuant to this RSU Grant Notice which remain outstanding as of immediately prior to the Change in Control will become fully vested, subject to the Participant’s Continuous Service at such time as immediately prior to such Change in Control]¹

Additional Terms/ Acknowledgements:

The Participant acknowledges receipt of, and understands and agrees to, this RSU Grant Notice, the RSU Agreement and the Plan. The Participant acknowledges and agrees that this RSU Grant Notice and the RSU Agreement may not be modified, amended or revised except as provided in the Plan. The Participant further acknowledges that as of the Grant Date, this RSU Grant Notice, the RSU Agreement and the Plan set forth the entire understanding between the Participant and the Company regarding this RSU Award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) Stock Awards previously granted and delivered to the Participant [and], (ii) any compensation recovery policy or share ownership guidelines that is adopted by the Company or is otherwise required by applicable law [and (iii) any written employment or severance arrangement that would provide for vesting acceleration of the RSUs upon the terms and conditions set forth therein.]

By accepting this RSU Award, the Participant hereby consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

ATTACHMENTS: RSU Award Agreement and 2021 Equity Incentive Plan

¹ For Director annual grants only.

ATTACHMENT I

ROIVANT SCIENCES LTD.

RSU AWARD AGREEMENT

Pursuant to your Restricted Stock Unit Award Grant Notice (“**RSU Grant Notice**”) and this Restricted Stock Unit Award Agreement (this “**RSU Agreement**”), Roivant Sciences Ltd. (the “**Company**”) has granted you a Restricted Stock Unit Award (the “**RSU Award**”) under its 2021 Equity Incentive Plan (the “**Plan**”) of the number of Restricted Stock Units (the “**RSUs**”) set forth in your RSU Grant Notice. Each RSU is an obligation of the Company to deliver one common share of the Company (each, a “**Common Share**”) after any applicable vesting restrictions with respect to the RSUs lapse. The RSUs are granted to you effective as of the grant date set forth in the RSU Grant Notice (the “**Grant Date**”). If there is any conflict between the terms in this RSU Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this RSU Agreement or in the RSU Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The terms and conditions of your RSUs, in addition to those set forth in the RSU Grant Notice and the Plan, are as follows:

1. **VESTING.** Your RSUs will vest as provided in your RSU Grant Notice. Vesting will cease upon the termination of your Continuous Service.
2. **NUMBER OF SHARES.** The number of Common Shares subject to your RSUs will be adjusted for Capitalization Adjustments.
3. **NO RIGHTS AS A SHAREHOLDER PRIOR TO THE ISSUANCE OF COMMON SHARES.** Neither you nor any other Person shall become the beneficial owner of the Common Shares underlying the RSUs, nor have any rights to dividends or other rights as a shareholder with respect to the Common Shares (including voting rights), until and after such Common Shares, if any, have been actually issued to you and entered into the books and records of the Company in accordance with the terms of the Plan and this RSU Agreement.
4. **WHOLE SHARES.** Your RSUs may be settled only for whole Common Shares.
5. **SECURITIES LAW COMPLIANCE.** Your RSUs may not be settled unless the Common Shares issuable upon settlement are then registered under the Securities Act or, if not registered, the Company has determined that such settlement and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The settlement of your RSUs also must comply with all other applicable laws, rules and regulations governing your RSUs and any regulation, qualification, approvals or other requirements imposed by any government or regulatory agency or body. Your RSUs may not be settled if the Company determines that such settlement would not be in material compliance with such laws, rules, regulations, qualification, approvals or other requirements.

6. SETTLEMENT.

(a) As soon as reasonably practicable following the date on which an RSU becomes vested, but in no event later than the later of (a) the fifteenth (15th) day of the third (3rd) calendar month following the end of the first fiscal year of the Company in which the applicable RSU becomes vested and (b) March 15 following the first calendar year in which the applicable RSU becomes vested, the Company shall cause to be delivered to you, in full settlement and satisfaction of such vested RSUs, the Common Shares underlying such vested RSUs, subject to the satisfaction of applicable tax withholding obligations with respect thereto in accordance with this RSU Agreement. The Common Shares issued in respect of your RSUs may be endorsed with appropriate legends as determined by the Company.

(b) You hereby acknowledge and agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Common Shares or other securities of the Company held by you, for a period of up to one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or other applicable law, in each case if so requested by the Company or the underwriter in connection therewith (the “**Lock-Up Period**”); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further acknowledge and agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Common Shares until the end of such period. You also acknowledge and agree that any transferee of any Common Shares (or other securities) of the Company held by you will be bound by this Section 6(b).

7. TRANSFERABILITY. The RSUs shall not be transferable other than by will or the laws of descent and distribution; *provided, however*, that the Committee may, in its discretion, permit the RSUs to be transferred subject to such conditions and limitations as may be imposed by the Committee, subject to compliance with all applicable laws. Upon receiving written permission from the Committee or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company designate a third party who, on or following your death will receive rights with respect of the RSUs, if any.

8. TERMINATION OF CONTINUOUS SERVICE; TERMINATION FOR CAUSE; RECOUPMENT. The Committee (or its delegate) shall have the sole discretion to determine whether a termination of Continuous Service has occurred, the effective date of such termination, and whether such termination was for Cause. In the event that your Continuous Service is terminated by the Company or any Subsidiary or Affiliate for Cause, all of your RSUs, whether or not vested, that have not previously been settled in Common Shares shall be automatically forfeited to the Company and cancelled without consideration. In addition, the Board may require you to return to the Company any cash or Common Shares you received with respect to the settlement of your RSUs; *provided that*, if you disposed of any Common Shares you received with respect to the settlement of the RSUs, the Board may require you to pay to the Company, in cash, the Fair Market Value of such Common Shares as of the date of disposition. The Board shall exercise the right of recoupment provided for in this Section 8 within 180 days after the Board’s discovery of the applicable activity constituting Cause or within any other period permitted pursuant to any applicable clawback or recoupment policy or as permitted by applicable law. In addition, the RSUs (and the Common Shares underlying the RSUs) shall be subject to clawback or recoupment as contemplated by Section 8(l) of the Plan or otherwise pursuant to any applicable Company policy in effect from time to time or applicable law.

9. RSUs NOT A SERVICE CONTRACT. Your RSUs and this RSU Agreement are not an employment or service contract, and nothing in this RSU Agreement and nothing with respect to the RSUs will be deemed to create in any way whatsoever any obligation on your part to continue in the [employ][service] of the Company or an Affiliate, or of the Company or an Affiliate to continue your [employment][service]. In addition, nothing in this RSU Agreement or with respect to your RSUs will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a director or Consultant for the Company or an Affiliate.

10. THE PLAN. By accepting any benefit under this RSU Agreement, you and any Person claiming a benefit under or through you shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this RSU Agreement and any action taken under the Plan by the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. This RSU Agreement is subject to all the terms, provisions and conditions of the Plan (including, without limitation, Section 8(l) of the Plan), which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. In the event of any conflict between the provisions of the Plan and this RSU Agreement, the provisions of the Plan shall control, and this RSU Agreement shall be deemed to be modified accordingly.

11. WITHHOLDING OBLIGATIONS.

(a) You acknowledge that, regardless of any action taken by the Company or any Affiliate, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, or any other tax of any kind related to the RSUs and legally applicable to you ("**Tax-Related Items**") is and remains your responsibility (or that of your beneficiary). You further acknowledge that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs or the subsequent sale of Common Shares acquired upon settlement of the RSUs and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result.

(b) Unless otherwise determined by the Committee, upon the vesting and/or settlement of the RSUs (or as of any other date on which the value of any RSUs otherwise become includible in your gross income for tax purposes) (the "**Tax Withholding Date**"), you shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to you pursuant to RSUs, the amount of any applicable federal, state, local and foreign Tax-Related Items that the Company determines must be withheld with respect to the RSUs (the "**Tax Withholding Obligations**"). By execution of this Agreement, you hereby consent to, and authorize the Company to, on your behalf, instruct a registered broker chosen by the Company, at a time when you are not in possession of material nonpublic information, to sell on or as soon as administratively practicable following the applicable Tax Withholding Date, such number of Common Shares (rounded up to the next whole number) as the Company deems necessary to satisfy (i) the tax Withholding Obligations and (ii) all applicable fees and commissions due to, or required to be collected by, the broker (the "**Broker Fees**"), and the broker shall (A) be required to directly remit to the Company the portion of the cash proceeds from such sale necessary in order for the Company to satisfy the Tax Withholding Obligations and (B) retain the portion of the cash proceeds from such sale required to cover the Broker Fees relating directly to such sale (the "**Sell-to-Cover Method**"). Any excess Tax Withholding Obligations and Broker Fees not satisfied by the Sell-to-Cover Method as a result of insufficient proceeds from the sales pursuant thereto shall be automatically satisfied by the Company withholding such additional amounts through payroll necessary to satisfy such remaining Tax Withholding Obligations and Broker Fees. To the extent the proceeds of such sales pursuant to the Sell-to-Cover Method exceed the Tax Withholding Obligations and the associated Broker Fees, the Company agrees to remit, or to cause the Broker to remit, to you such excess cash (without interest) as soon as administratively practicable thereafter. You hereby agree and acknowledge that the Company and the broker are under no obligation to arrange for the sale of Common Shares at any particular price under the Sell-to-Cover Method and that the broker may affect sales as provided hereunder in one or more sales and that the average price for executions resulting from bunched orders may be assigned to your account. You further agree and acknowledge that you will be responsible for all brokerage fees and other costs of sale associated with the Sell-to-Cover Method, and you agree to indemnify and hold the Company and the broker harmless from any losses, costs, damages, or expenses relating to any such sale. In connection with the Sell-to-Cover Method, you shall execute any such documents requested by the broker or the Company in order to effectuate the Sell-to-Cover Method and payment of the Tax Withholding Obligations, and you agree and acknowledge that the Sell-to-Cover Method shall be subject to additional terms, conditions and documentation determined to be necessary or appropriate by the Company or the applicable broker in furtherance of this Section 11(b). You acknowledge that this Section 11(b) (and the Sell-to-Cover Method contemplated hereby) is intended to comply with Section 10b5-1(c)(1) under the Exchange Act and shall be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act.

(c) Notwithstanding anything to the contrary herein, the Company may, in its discretion, permit or require you to satisfy the Tax Withholding Obligations, in whole or in part, through a method other than the Sell-to-Cover Method described in Section 11(b), including by (i) causing you to tender a cash payment sufficient to satisfy the Tax Withholding Obligations, (ii) withholding from payroll or from any amounts otherwise payable to you by the Company or any Affiliate in an amount sufficient to satisfy the Tax Withholding Obligations or (iii) by such other method as may be permitted under the Plan or as may be acceptable to the Board.

12. SECTION 280G. Notwithstanding anything to the contrary herein, except as may otherwise be expressly provided in any written agreement between you and the Company or any of its Subsidiaries or Affiliates, if you would be entitled to payments or benefits under this RSU Agreement or under any other plan, program, agreement or arrangement that would constitute “parachute payments” as defined in Section 280G of the Code and could result in any such payment or benefit being subject to an excise tax under Section 4999 of the Code, the present value of such payments and benefits will be reduced by the minimum amount necessary such that the aggregate present value of such payments and benefits do not trigger the excise tax; *provided, however*, no such reductions shall be given effect if you would be entitled to greater payments and benefits on an after-tax basis (taking into account the excise tax imposed pursuant to Section 4999 of the Code, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income and employment taxes) than if such reductions were to be implemented. Except as otherwise expressly provided in any written agreement between you and the Company or any of its Subsidiaries or Affiliates, all determinations in applying the foregoing provisions for purposes of the “golden parachute” rules under Sections 280G and 4999 of the Code will be made by the Company and shall be final and binding on you and the Company.

13. TAX CONSEQUENCES. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your RSUs or your other compensation. The Company shall not be liable to you for any adverse tax consequences to you arising in connection with this RSU Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this RSU Award and by accepting the RSU Award, you have agreed that you have done so or knowingly and voluntarily declined to do so. You further understand that you (and not the Company) shall be responsible for your own tax liability that may arise in connection with this RSU Award.

14. UNSECURED OBLIGATION. Your RSU Award is unfunded, and as a holder of vested RSUs, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Common Shares or other property pursuant to this RSU Agreement.

15. EFFECT ON OTHER [EMPLOYEE] BENEFIT PLANS. The value of the RSU Award subject to this RSU Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored or maintained by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the [employee] benefit plans of the Company or any Affiliate.

16. NOTICES. Any notices related to your RSUs or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the RSUs by electronic means or to request your consent to participate in the Plan by electronic means. By accepting the RSUs, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. SEVERABILITY. If all or any part of this RSU Agreement or the Plan is declared by any court or governmental authority of competent jurisdiction to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this RSU Agreement or the Plan not declared to be unlawful or invalid. Any provision of this RSU Agreement or the Plan so declared to be unlawful or invalid shall, to the extent possible, be construed in a manner which will give effect to the terms of such provision to the fullest extent possible while remaining lawful and valid.

18. SECTIONS 409A AND 457A. The RSUs and all payments made pursuant to the RSU Grant Notice and this RSU Agreement are intended to be exempt and/or comply with Section 409A of the Code and Section 457A of the Code (including the regulations and guidance promulgated thereunder) ("**Section 409A**" and "**Section 457A**", respectively), and shall be interpreted on a basis consistent with such intent. However, nothing herein will be construed as a guarantee by the Company of any particular tax effect to you under this Agreement, including compliance with Section 409A or Section 457A. The Company will not be liable to you for any additional tax, penalty or interest that may be imposed on you pursuant to Section 409A or Section 457A or damages incurred by you as a result of this Agreement (and the payment and benefits hereunder) failing to comply with, or be exempt from, Section 409A or Section 457A. If it is determined that the RSU Award constitutes deferred compensation subject to Section 409A and of the Company determines that you are a "specified employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (as defined in Section 409A), then the issuance of any shares that would otherwise be made upon the date of your separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of your separation from service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares underlying the RSUs that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). The Company reserves the right to modify the terms of this RSU Agreement and the RSU Grant Notice, including, without limitation, the payment provisions applicable to your RSUs, to the extent the Company determines necessary or advisable to comply with Section 409A and Section 457A.

ATTACHMENT II

ROIVANT SCIENCES LTD.

2021 EQUITY INCENTIVE PLAN

[Attached]

II-1

SEPARATION AND MUTUAL RELEASE AGREEMENT

This SEPARATION AND MUTUAL RELEASE AGREEMENT (this “Agreement”) is entered into as of February 20, 2023, by and between Roivant Sciences, Inc., a Delaware corporation (the “Company”) and Vivek Ramaswamy (the “Employee”). The Company and the Employee are collectively referred to herein as the “Parties” or individually referred to as a “Party”. Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Employment Agreement (as defined below).

WHEREAS, Employee and the Company are party to that certain Amended and Restated Employment Agreement, dated May 14, 2021 (as amended, the “Employment Agreement”), pursuant to which Employee is currently employed by the Company as the Company’s Chairman;

WHEREAS, in connection with his employment with the Company, the Employee and the Company have entered into five letter agreements dated July 19, 2019, November 23, 2020, March 2, 2021 (of which there are two) and February 15, 2022 (such letter agreements, collectively, the “Letter Agreements” and, together with the Employment Agreement, the “Employment-Related Arrangements”);

WHEREAS, Employee currently serves as Chairman of the Board of Directors of Roivant Sciences Ltd., the Company’s parent (“RSL”);

WHEREAS, Employee and the Company have mutually agreed that it would be in the best interests of the Company to terminate Employee’s employment with the Company, effective as of February 20, 2023 (the “Separation Date”), subject to, and in accordance with, the terms and conditions set forth in this Agreement;

WHEREAS, in connection with the termination of Employee’s employment on the Separation Date, Employee will immediately cease to serve as Chairman of the Board of Directors of RSL; and

WHEREAS, unless otherwise expressly provided herein, the Parties intend for this Agreement to supersede any and all prior agreements that Employee has with the Company Group (as defined below) in respect of Employee’s employment with the Company (including, without limitation, the Employment-Related Arrangements).

NOW, THEREFORE, in consideration of the premises hereof, the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which each the Company and Employee acknowledge to be sufficient, legal, and binding consideration, the Parties hereby agree as follows:

1. Separation. The Company and the Employee hereby mutually agree that, effective as of the Separation Date, (a) Employee's employment with the Company will terminate; (b) Employee will cease to serve as Chairman of the Board of Directors of RSL; and (c) all of the Employment-Related Arrangements shall be terminated. From and after the Separation Date, Employee will have no further employment or service duties with any member of the Company Group, including in any position or capacity as an officer, director, committee member or other service provider of any member of the Company Group, and Employee agrees to execute any documents as are necessary or desirable to affect any such cessation of employment or service. Employee shall not represent himself after the Separation Date as being an employee, officer, director, agent, or representative of any member of the Company Group for any purpose. The Separation Date shall be the termination date of Employee's employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through the Company Group, except as otherwise expressly provided in this Agreement. For purposes of this Agreement, (i) the "Company Group" means the Company, RSL and each of their respective Affiliates and (ii) "Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with any of the Company or RSL, where control may be by management authority, equity interest or otherwise; *provided* that, any shareholder or other equity holder of RSL shall not be deemed an Affiliate of RSL or the Company for purposes of this Agreement unless such holder owns more than 50% of the outstanding voting power of RSL.

2. Separation Payments and Benefits. Following the Separation Date, Employee shall be entitled to receive the payments and benefits set forth in this Section 2, subject to the terms and conditions set forth in this Agreement.

(a) Following the Separation Date, Employee will be entitled to receive (i) payment of his base salary for the final payroll period of his employment, through the Separation Date, payable within 30 days following the Separation Date; and (ii) reimbursement for business expenses incurred by Employee but not yet paid to Employee as of the Separation Date (*provided* that Employee submit all expenses and supporting documentation required within 60 days of the Separation Date, and *provided further* that such expenses are reimbursable under the Company's policies as then in effect, with any such eligible reimbursement payable within 30 days following the date such expenses are properly submitted in accordance with the terms hereof (collectively, the "Final Compensation").

(b) In addition to the Final Compensation, subject to the terms and conditions set forth in this Agreement (including Sections 3 and 4 of this Agreement), with respect to Employee's equity incentive awards with respect to shares of RSL common stock ("RSL Equity Awards") granted to Employee prior to March 31, 2021 under the Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan (as amended or restated from time to time, the "RSL Equity Plan") that are outstanding as of the Separation Date and listed on Exhibit A attached hereto (collectively, the "Eligible Equity Awards"), (i) with respect to any Eligible Equity Awards in the form of stock options, all service-based vesting conditions with respect to such stock options shall be deemed immediately waived as of the Separation Date and (ii) with respect to any Eligible Equity Awards in the form of capped value appreciation rights ("CVARs"), such CVARs shall be deemed to have satisfied the applicable service-based vesting condition as of the originally scheduled service vesting date applicable to such CVARs following the Separation Date; *provided, however*, that (A) such CVARs shall otherwise remain subject to any additional vesting conditions or other terms and conditions otherwise applicable to such Eligible Equity Awards, including, without limitation, the achievement of any applicable performance-based vesting conditions, the satisfaction of any "knock-in" condition or hurdle price and any caps, and (B) for the avoidance of doubt, the measurement of the satisfaction of any "knock-in" condition or hurdle price shall be measured as of, and shall be deemed to continue to refer to, the originally scheduled dates (including the originally scheduled "Measurement Date", "Hurdle Measurement Date" or "Service Vesting Date") applicable to such CVARs in effect as of the date hereof (the "Equity Acceleration Benefits"). Except as expressly provided in the preceding sentence with respect to the Equity Acceleration Benefits, at all times following the date hereof (including on and following the Separation Date), Employee's Eligible Equity Awards shall remain subject to the terms and conditions of the RSL Equity Plan and the applicable award documentations thereunder.

(c) By executing this Agreement, Employee hereby irrevocably waives any and all rights and entitlements that Employee may have under the Employment-Related Arrangements, including Sections 2 and 5 of the Employment Agreement. Employee further hereby agrees and acknowledges that on and following the Separation Date, subject to the terms of this Agreement, Employee will only be entitled to receive the Final Compensation and the Equity Acceleration Benefits, and Employee will not be entitled to receive any other compensatory payments or benefits from the Company Group in respect of his employment with or service to the Company Group.

(d) All payments made by any member of the Company Group under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company or such Affiliate under applicable law.

(e) To the extent that Employee has not fully paid or otherwise reimbursed the Company for any amounts required to be paid or reimbursed to the Company under any of the Letter Agreements, Employee hereby agrees to promptly pay or otherwise reimburse the Company for such amounts as promptly as practicable, and in no event later than 30 days following the Separation Date.

3. Continuing Obligations.

(a) Each of Sections 3(a), 3(b), 3(c), 3(d)(i)-(iv), 3(e), 3(f), 3(g) and 3(h) of the Employment Agreement (including all corresponding definitions used therein) is hereby incorporated by reference into this Agreement by reference and shall be deemed to be part of this Agreement and shall apply, *mutatis mutandis*, as if expressly set forth herein, and each of such provisions shall be deemed to survive the termination of Employee's employment and service with the Company Group as of the Separation Date and the termination of the Employment Agreement and execution of this Agreement. Accordingly, from and after the Separation Date, Employee shall continue to be bound by, and hereby agrees to comply with, his obligations under each of Sections 3(a), 3(b), 3(c), 3(d)(i)-(iv), 3(e), 3(f), 3(g) and 3(h) of the Employment Agreement. For the avoidance of doubt, with respect to Employee's obligations under Section 3(d)(i)-(iii) of the Employment Agreement, the "Restricted Period" shall refer to the period of Employee's employment with the Company and the 18-month period immediately following the Separation Date.

(b) Employee agrees and acknowledges that, pursuant to Section 3(b) of the Employment Agreement, the Company has the right to, among other things, require that, as of the Separation Date, Employee surrender to the Company all Documents (as defined in the Employment Agreement) and to disclose to the Company, at its written request, all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, any information which Employee has password-protected on any computer equipment, network or system of the Company or any of its Affiliates (collectively, the “Information Production Rights”). By entering into this Agreement, (i) the Company agrees that it shall not exercise its Information Production Rights under Section 3(b) of the Employment Agreement before or as of the Separation Date and (ii) in consideration thereof, and notwithstanding anything to the contrary in the Employment Agreement, Employee agrees that the Company shall have the right to exercise the Information Production Rights at any time following the Separation Date and Employee shall comply with such exercise of the Information Production Rights at such time; *provided* that Employee agrees and acknowledges that, in accordance with Section 3(b) of the Employment Agreement, (A) the Documents (whether or not prepared by Employee) shall be the sole and exclusive property of the Company and its Affiliates and (B) the Employee shall continue to safeguard all Documents at all times from and after the Separation Date until surrendered to the Company.

(c) Employee also agrees to reasonably cooperate with the Company and any of the Released Parties in connection with any internal review or investigations, any regulatory or enforcement inquiries or investigation, and the defense or prosecution of any claims or actions now in existence or which may arise in the future in connection with, against or on behalf of the Company and any of the Released Parties. Employee’s reasonable cooperation shall include, but not be limited to, Employee being available to meet with, be interviewed by or otherwise assist Company counsel in connection with an internal review or investigation, a regulatory or enforcement inquiry or investigation, to prepare for trial or discovery or a regulatory, enforcement or administrative proceeding or alternative dispute resolution process and to act as a witness when requested by the Company at reasonable times designated by the Company. The Company will provide reasonable notice of the need for Employee’s services and will use reasonable efforts to accommodate Employee’s personal and professional schedule in scheduling Employee’s services. Moreover, unless otherwise prohibited by law, Employee agrees to promptly notify the Legal Department of the Company if Employee is asked by any person, entity or agency to assist, testify or provide information in any such proceeding or investigation. If Employee is not legally permitted to provide such notice, Employee agrees that he will request that the person, entity or agency seeking assistance, testimony or information provide notice consistent with this Section 3(c). To the extent Employee incurs out-of-pocket expenses (such as postage costs or telephone charges) in assisting the Company, RSL or any Affiliate at its request, the Company will mail Employee a reimbursement check for those expenses within 30 days after it receives Employee’s request for payment, along with reasonably satisfactory written substantiation of the claimed expenses. Employee’s obligations under this Section 3(c) will end upon the expiration of the applicable statute of limitations period for the particular claim provided that a timely claim has not been asserted. In the event that a timely claim is asserted, Employee’s obligations will continue until the claim is resolved.

(d) Employee understands and agrees that Employee will not receive the Equity Acceleration Benefits if Employee breaches or violates any of Employee's obligations under Sections 3(a), (b), or (c) of this Agreement (including, for the avoidance of doubt, Sections 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(g) and 3(h) of Employment Agreement, which are deemed incorporated herein by reference) (collectively, the "Continuing Obligations"). Employee further understands and agrees that Employee will not be entitled to receive the Equity Acceleration Benefits (i) unless Employee executes and delivers this Agreement and does not revoke this Agreement during the Revocation Period (as defined below) or (ii) if Employee breaches this Agreement or any of Employee's Continuing Obligations. If Employee breaches the Continuing Obligations, the Equity Acceleration Benefits shall immediately cease to apply and any portion of the Eligible Equity Awards then-outstanding for which the service-vesting conditions were deemed accelerated as a result of the Equity Acceleration Benefits shall be immediately forfeited and cancelled for no consideration.

4. Waiver and Mutual Release of Claims.

(a) Employee General Release and Representation.

(i) In consideration of Section 4(b) of this Agreement, and subject to the performance by the Company of its obligations under Section 2(b) of this Agreement, Employee hereby releases and forever discharges as of the date hereof the Company, RSL, and each of their respective Affiliates, and all present, former and future respective direct and indirect owners, directors, officers, agents, representatives, employees, successors and assigns of each of them (collectively, the "Company Released Parties") to the extent provided in this Section 4(a). The Released Parties are intended third-party beneficiaries of this Section 4(a), and this Section 4 may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Company Released Parties hereunder.

(ii) Employee understands that the Equity Acceleration Benefits represent, in part, consideration for signing this Agreement and are not salary, wages or benefits to which Employee was already entitled. Employee understands and agree that Employee will not receive the Equity Acceleration Benefits unless Employee executes this Agreement and does not revoke this Agreement within the time period permitted hereafter or breach this Agreement. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by any member of the Company Group.

(iii) Except as provided in Section 4(a)(v) of this Agreement, and except for Sections 2(b) and 10 of this Agreement, Employee hereby knowingly and voluntarily (for himself, his heirs, executors, administrators and assigns) releases and forever discharges the Company and the other Company Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this Agreement becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company and/or any of the Company Released Parties which Employee, or any of Employee's heirs, executors, administrators or assigns, ever had, now have, or hereafter may have, by reason of any matter, cause, or thing whatsoever, from the beginning of Employee's initial dealings with the Company and its Affiliates to the date of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to any Employment-Related Arrangement or Employee's employment relationship with the Company or service relationship with RSL or any other member of the Company Group, the terms and conditions of that employment or service relationship, and the termination of that employment or service relationship (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Employee Order Programs; or their state or local counterparts; or under any other international, federal, state or local civil or human rights law, or under any other international, federal, state or local regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company or any of its Affiliates; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims"). Employee understands and intends that the release provided hereunder constitutes a general release of all claims and that no reference herein to a specific form of claim, statute or type of relief is intended to limit the scope of this Section 4(a).

(iv) Employee represents that he has made no assignment or transfer of any Claim or other right, claim, demand, cause of action or other matter covered by Section 4(a)(iii) above.

(v) Employee agrees that this Section 4(a) does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act of 1967 which arise after the date Employee executes this Agreement. Employee acknowledges and agrees that Employee's separation from employment with the Company and cessation of service with RSL as contemplated hereunder shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

(vi) Employee hereby agrees to waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Company Released Parties of any kind whatsoever, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the foregoing, Employee acknowledges that Employee is not waiving and is not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; *provided, however*, that Employee disclaims and waives any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

(vii) In signing this Agreement, Employee acknowledges and intends that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. Employee expressly consents that the waiver and general release under this Section 4(a) shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any international, state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. Employee acknowledges and agrees that this waiver is an essential and material term of this Agreement and that without such waiver the Company would not have agreed to the terms of this Agreement or the Employment Agreement. Employee further agrees that in the event that Employee should bring a Claim seeking damages against any Company Released Party, or in the event that Employee should seek to recover against any Company Released Party in any Claim brought by a governmental agency on Employee's behalf, this Agreement shall serve as a complete defense to such Claims to the maximum extent permitted by law. Employee further agrees that Employee is not aware of any pending claim, or of any facts that could give rise to a claim, of the type described in Section 4(a)(iii) as of the execution of this Agreement.

(viii) Employee agrees that neither this Agreement, nor the furnishing of the consideration for this Agreement, shall be deemed or construed at any time to be an admission by the Company, any Company Released Party or Employee of any improper or unlawful conduct.

(ix) Employee does not release any Claim Employee has to workers' compensation benefits or vested benefits under any pension plan, employee benefit plan or any other plan or program of the Company, or any Claim that cannot be released under applicable law.

(x) Employee agrees that this Agreement is confidential and agrees not to disclose any information regarding the terms of this Agreement, except to Employee's immediate family and any tax, legal or other counsel that Employee has consulted regarding the meaning or effect hereof or as required by law, and Employee will instruct each of the foregoing not to disclose the same to anyone. The Company agrees to disclose any such information only to those of its employees who have a need to know, tax, legal or other counsel of the Company, or as required by law.

(xi) Any non-disclosure provision in this Agreement does not prohibit or restrict Employee (or Employee's attorney) from responding to any inquiry about this Agreement or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization or governmental entity, or from reporting a violation of law or making a disclosure that is protected under the whistleblower protections of applicable law.

(xii) Employee acknowledges that Employee may hereafter discover Claims or facts in addition to or different than those which Employee now knows or believes to exist with respect to the subject matter of the release set forth in Section 4(a)(iii) above and which, if known or suspected at the time of entering into this Agreement, may have materially affected the release set forth herein and Employee's decision to enter into this Agreement.

(xiii) Whenever possible, each provision of this Agreement (including this Section 4) shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(xiv) Employee has seven (7) calendar days from the date of Employee's execution of this Agreement to revoke this Agreement (the "Revocation Period") by delivering notice of revocation to Jo Chen, General Counsel (jo.chen@roivant.com) before the expiration of the Revocation Period. If Employee revokes this Agreement during the Revocation Period, the terms of this Agreement, including but not limited to, the waiver and releases set forth in Sections 4(a) and 4(b) hereof and Employee's right to receive the Equity Acceleration Benefits will be null and void and such benefits will be deemed forfeited in their entirety.

(b) Company General Release. In consideration of Employee's representations and agreements herein and other valuable consideration, the Company hereby releases and forever discharges Employee from any and all claims, actions and causes of action arising from any event, condition, circumstance or obligation that occurred, existed or arose from the beginning of Employee's initial dealings with the Company and its Affiliates to the date of this Agreement; *provided, however*, that the release set forth in this Section 4(b) will not apply to Employee's obligations (whether express, incorporated or referenced herein, including under any of the agreements referenced in Section 6(b) of this Agreement), a breach of any representation, covenant, or obligation of Employee under this Agreement or any Claims which cannot be released under applicable law.

5. Beneficial Ownership Reporting. Employee acknowledges and agrees that, from and after the Separation Date, (i) Employee shall be solely responsible for compliance with Employee's obligations under Section 13 and Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including, without limitation, any obligations to timely file reports of beneficial ownership of equity securities of RSL under Sections 13 and 16 of the Exchange Act and (ii) the Company and its Affiliates shall have no obligation to monitor or otherwise track Employee's beneficial ownership of RSL equity securities for any purposes, including for purposes of Section 13 or 16 of the Exchange Act or otherwise provide assistance with respect to any of the foregoing. To the extent requested in writing by the Company (on behalf of RSL) at any time following the Separation Date, Employee shall provide written certification to the Company as to whether Employee has timely filed all required reports under Section 16(a) of the Exchange Act to enable RSL to comply with its obligations under Item 405 of Regulation S-K.

6. Entire Agreement.

(a) This Agreement constitutes the entire agreement and understanding between the Company and Employee with respect to the subject matter hereof and supersedes all prior agreements and understandings (whether written or oral), between Employee and the Company, relating to such subject matter, including but not limited to all of the Employment-Related Arrangements; *provided, however*, that those provisions of the Employment Agreement expressly preserved under this Agreement (including the Continuing Obligations and those other provisions of the Employment Agreement incorporated by reference herein) shall survive this Agreement and remain in full force and effect.

(b) Notwithstanding anything to the contrary herein, each of (i) the Lock-Up Agreement by and between RSL and Employee entered into as of May 1, 2021, (ii) the Lock-Up Agreement by and among Goldman Sachs & Co. LLC, SVB Securities LLC, Cowen and Company, LLC, Cantor Fitzgerald & Co. and Employee entered into as of February 2, 2023 and (iii) the agreements described in Section 16(i) and (ii) of the Employment Agreement, in each case shall each continue in full force and effect to the extent of, and in accordance with, the terms and conditions contained therein.

7. Amendments and Waivers. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by Employee and an expressly authorized representative of the Company.

8. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

10. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof that would result in the application of the law of any other jurisdiction.

11. Miscellaneous.

(a) Sections 6, 7, 9, 11, 12, 13, 15 and 16 of the Employment Agreement are hereby incorporated by reference into and deemed part of this Agreement and shall apply, *mutatis mutandis*, as if fully set forth in this Agreement.

(b) Employee acknowledges and agrees that Employee has obtained no advice from the Company, or any of its officers, directors, employees, subsidiaries, affiliates, agents, attorneys or other representatives, and that none of such persons or entities have made any representation regarding the tax consequences, if any, of Employee's receipt of the payments, benefits and other consideration provided for in this Agreement. Employee further acknowledges and agrees that Employee is personally responsible for the payment of all federal, state and local taxes that are due, or may be due, for any payments and other consideration received by Employee under this Agreement.

BY SIGNING THIS GENERAL RELEASE, EMPLOYEE REPRESENTS AND AGREES THAT:

- (i) EMPLOYEE HAS READ IT CAREFULLY;
 - (ii) EMPLOYEE UNDERSTANDS ALL OF ITS TERMS AND KNOWS THAT EMPLOYEE IS GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED, THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990, AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
-

- (iii) EMPLOYEE VOLUNTARILY CONSENTS TO EVERYTHING IN IT;
- (iv) EMPLOYEE HAS BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND EMPLOYEE HAS DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, EMPLOYEE HAS CHOSEN NOT TO DO SO OF EMPLOYEE'S OWN VOLITION;
- (v) EMPLOYEE HAS HAD AT LEAST 21 DAYS FROM THE DATE OF HIS RECEIPT OF THIS RELEASE TO CONSIDER IT AND THE CHANGES MADE SINCE EMPLOYEE'S RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT EMPLOYEE'S REQUEST AND WILL NOT RESTART THE REQUIRED 21-DAY PERIOD; EMPLOYEE UNDERSTANDS THAT HE MAY EXECUTE THIS AGREEMENT LESS THAN 21 DAYS FROM ITS RECEIPT FROM THE COMPANY, BUT AGREES THAT SUCH EXECUTION WILL REPRESENT EMPLOYEE'S KNOWING WAIVER OF SUCH 21-DAY CONSIDERATION PERIOD;
- (vi) UNDERSTAND THAT EMPLOYEE HAS SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;
- (vii) EMPLOYEE HAS SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE EMPLOYEE WITH RESPECT TO IT;
- (viii) EMPLOYEE AGREES THAT THE PROVISIONS OF THIS AGREEMENT MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY EMPLOYEE;
- (ix) EMPLOYEE HAS NOT RELIED ON ANY REPRESENTATIONS, PROMISES, OR AGREEMENTS OF ANY KIND MADE TO EMPLOYEE IN CONNECTION WITH EMPLOYEE'S DECISION TO ACCEPT THIS AGREEMENT, EXCEPT FOR THOSE SET FORTH IN THIS AGREEMENT; AND
- (x) EMPLOYEE ACKNOWLEDGES THAT THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS TO DATE.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

ROIVANT SCIENCES, INC.

By: /s/ Matthew Gline

Name: Matthew Gline

Title: Chief Executive Officer

Solely for purposes of Section 2(b) of this Agreement:

Roivant Sciences Ltd.

By: /s/ Matt Maisak

Name: Matt Maisak

Title: COO, Roivant Platform

EMPLOYEE

By: /s/ Vivek Ramaswamy

Name: Vivek Ramaswamy

EXHIBIT A**Eligible Equity Awards**

Type of Award	Grant Date	Vesting Commencement Date	Common Shares Subject to the Award	Exercise/Hurdle Price
CVARs	March 26, 2020	December 27, 2019	9,782,292	\$6.40 (\$9.20 “knock-in condition”)
CVARs	March 26, 2020	December 27, 2019	12,073,846	\$11.50
Performance Option	March 26, 2020	December 27, 2019	12,073,846	\$12.68
Performance Option	March 26, 2020	December 27, 2019	9,782,292	\$12.68
Performance Option	March 26, 2020	December 27, 2019	1,753,905	\$13.78
Performance Option	March 26, 2020	December 27, 2019	5,915,052	\$15.85

List of Subsidiaries of Roivant Sciences Ltd.

* The names of certain other subsidiaries of Roivant Sciences Ltd. are omitted because, considered in the aggregate, they would not constitute a “significant subsidiary.”

Company	Jurisdiction of Incorporation or Formation
Affivant Sciences GmbH	Switzerland
Affivant Sciences Ltd.	Bermuda
Affivant Sciences, Inc.	United States – Delaware
Covant Therapeutics Operating, Inc.	United States – Delaware
Dermavant Sciences GmbH	Switzerland
Dermavant Sciences Ltd.	Bermuda
Dermavant Sciences, Inc.	United States – Delaware
DSL Treasury Holdings Inc.	United States – Delaware
DSL Treasury Inc.	United States – Delaware
Genevant Sciences BioVentures GmbH	Switzerland
Genevant Sciences Corporation	Canada
Genevant Sciences GmbH	Switzerland
Genevant Sciences Ltd.	Bermuda
Genevant Sciences, Inc.	United States – Delaware
Hemavant Sciences Ltd.	Bermuda
Hemavant Sciences GmbH	Switzerland
Hemavant Sciences, Inc.	United States – Delaware
Immunovant Sciences GmbH	Switzerland
Immunovant Sciences Ltd.	Bermuda
Immunovant, Inc.	United States – Delaware
IMVT Corporation	United States – Delaware
Izana Bioscience Limited	United Kingdom
Kinevant Ltd.	Bermuda
Kinevant Sciences GmbH	Switzerland
Kinevant Sciences Ltd.	Bermuda
Kinevant Sciences, Inc.	United States – Delaware
Lokavant Holdings, Inc.	United States – Delaware
Lokavant, Inc.	United States – Delaware
Mvant Therapeutics Holdings, Inc.	United States – Delaware
Mvant Therapeutics, Inc.	United States – Delaware
Oncopia Therapeutics, Inc. d/b/a/ Proteovant Therapeutics, Inc.	United States – Delaware
Pharmavant 3 GmbH	Switzerland
Priovant Holdings, Inc.	United States – Delaware
Priovant Therapeutics, Inc.	United States – Delaware
Proteovant Sciences, Inc.	United States – Delaware
Psivant Therapeutics, Inc.	United States – Delaware
Roivant Discovery, Inc.	United States – Delaware
Roivant Rhine Holdings, Inc.	United States – Delaware
Roivant Sciences GmbH	Switzerland
Roivant Sciences, Inc.	United States – Delaware
Roivant Treasury Holdings, Inc.	United States – Delaware
Roivant Treasury, Inc.	United States – Delaware
Telavant Holdings, Inc.	United States – Delaware
Telavant, Inc.	United States – Delaware
VantAI Holdings, Inc.	United States – Delaware
VantAI, Inc.	United States – Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of Roivant Sciences Ltd.:

- (1) Registration Statement (Form S-8 No. 333-260173) pertaining to the Roivant Sciences Ltd. 2021 Equity Incentive Plan, the Roivant Sciences Ltd. Employee Stock Purchase Plan and the Roivant Sciences Ltd. Amended and Restated 2015 Equity Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-265867) pertaining to the Roivant Sciences Ltd. 2021 Equity Incentive Plan and the Roivant Sciences Ltd. Employee Stock Purchase Plan,
- (3) Registration Statement (Form S-3 No. 333-267503);

of our report dated June 28, 2023, with respect to the consolidated financial statements of Roivant Sciences Ltd. included in this Annual Report (Form 10-K) of Roivant Sciences Ltd. for the year ended March 31, 2023.

/s/ Ernst & Young LLP

Iselin, New Jersey
June 28, 2023

CERTIFICATION

I, Matthew Gline, certify that:

1. I have reviewed this Annual Report on Form 10-K of Roivant Sciences Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2023

/s/Matthew Gline

Matthew Gline
Principal Executive Officer

CERTIFICATION

I, Richard Pulik, certify that:

1. I have reviewed this Annual Report on Form 10-K of Roivant Sciences Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2023

/s/ Richard Pulik
Richard Pulik
Principal Financial Officer

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Matthew Gline, Principal Executive Officer of Roivant Sciences Ltd. (the “Company”), hereby certifies that, to the best of his knowledge:

1. The Company’s Annual Report on Form 10-K for the year ended March 31, 2023, to which this Certification is attached as Exhibit 32.1 (the “Annual Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 28, 2023

/s/ Matthew Gline

Matthew Gline
Principal Executive Officer

A signed original of this written statement required by Section 906 of 18 U.S.C. § 1350 has been provided to the Company, and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Richard Pulik, Principal Financial Officer of Roivant Sciences Ltd. (the “Company”), hereby certifies that, to the best of his knowledge:

1. The Company’s Annual Report on Form 10-K for the year ended March 31, 2023, to which this Certification is attached as Exhibit 32.2 (the “Annual Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 28, 2023

/s/ Richard Pulik
Richard Pulik
Principal Financial Officer

A signed original of this written statement required by Section 906 of 18 U.S.C. § 1350 has been provided to the Company, and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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