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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2024
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number: 001-40782

ROIVANT SCIENCES LTD.

(Exact name of Registrant as specified in its Charter)

Bermuda	**98-1173944**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
7th Floor **50 Broadway** **London SW1H 0DB** **United Kingdom**	
(Address of principal executive offices)	**Not Applicable** **(Zip Code)**

+44 207 400 3347
(Registrant's telephone number, including area code)
Not Applicable
(Former Name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.0000000341740141 per share	**ROIV**	**The Nasdaq Global Select Market**

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

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

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

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

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

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

As of August 6, 2024, the registrant had 739,521,824 common shares, par value $0.0000000341740141 per share, outstanding (the "Common Shares").

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Where You Can Find More Information

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), filings we make with the Securities and Exchange Commission (the "SEC"), our corporate twitter account (@Roivant), other social media platforms, webcasts, press releases and conference calls. Similarly, our subsidiary Immunovant, Inc. may announce material business and financial information to its investors and others using its investor relations website (https://immunovant.com/investors), filings it makes with the SEC, social media platforms, webcasts, press releases and conference calls. We and our public company subsidiaries use these mediums to communicate with our and our public company subsidiaries' shareholders and the public about our company, our subsidiaries, our products and product candidates and other matters. It is possible that the information that we make available in this manner may be deemed to be material information. We therefore encourage investors and others interested in our company and our public company subsidiaries to review this information.

The above-referenced information is not incorporated by reference into this filing and the website addresses and Twitter account name are provided only as inactive textual references.

Summary Risk Factors

You should consider carefully the risks described under "Risk Factors" in Part II, Item 1.A of this Quarterly Report on Form 10-Q. Unless the context otherwise requires, references in this section to "we," "us," "our," "Roivant" and the "Company" refer to Roivant Sciences Ltd. and its consolidated 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 relatively limited operating history and the inherent uncertainties and risks involved in biopharmaceutical product development and commercialization may make it difficult for us to execute on our business model and for you to assess our future viability. We have generated limited revenue from our operations since inception, and there is no guarantee that we will generate significant revenues in the future.
- We may never achieve sustained profitability.
- We have relatively limited experience as a commercial-stage company and the marketing and sale of VTAMA® (tapinarof) or any future products may be unsuccessful or less successful than anticipated.
- Our business is dependent to a significant extent on the successful commercialization of VTAMA and the development, regulatory approval and commercialization of our current and future products and product candidates.
- We may not be successful in our efforts to acquire or in-license new product candidates, and newly acquired or in-licensed product candidates may not perform as expected in clinical trials or be successful in eventually achieving marketing approvals.
- 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.
- Our business strategy and potential for future growth relies on a number of assumptions, some or all of which may not be realized.
- We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.
- We face risks associated with the use of our cash, cash equivalents and restricted cash, including any return of capital to shareholders.
- 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.
- 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.

- 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 claims 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.

- If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common shares may decline.

- 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 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 Quarterly Report on Form 10-Q contains statements, including matters discussed under Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations," Part II, Item 1. "Legal Proceedings," Part II, Item 1A. "Risk Factors" 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 Quarterly Report on Form 10-Q 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 relatively limited operating history and the inherent uncertainties and risks involved in biopharmaceutical product development and commercialization;
- our relatively limited experience as a commercial-stage company and ability to successfully commercialize VTAMA® (tapinarof);
- our ability to acquire or in-license new product candidates;
- the allocation of capital and personnel across our business;
- our Vant structure and the potential that we may fail to capitalize on certain development opportunities;
- potential future payments related to our products and product candidates;
- our ability to consummate strategic transactions;
- the use of our cash and cash equivalents;
- 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, which could affect or otherwise delay 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 an extensive, lengthy, expensive and inherently uncertain 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 II, 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 Quarterly Report on Form 10-Q, 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.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

ROIVANT SCIENCES LTD.
Condensed Consolidated Balance Sheets
(unaudited, in thousands, except share and per share amounts)

	June 30, 2024	March 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 5,678,514	$ 6,535,706
Other current assets	322,985	196,122
Total current assets	6,001,499	6,731,828
Property and equipment, net	17,840	19,058
Operating lease right-of-use assets	45,313	46,892
Investments measured at fair value	262,979	247,753
Intangible assets, net	136,009	137,842
Other assets	32,808	39,109
Total assets	$ 6,496,448	$ 7,222,482
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 27,743	$ 53,225
Accrued expenses	138,288	175,586
Operating lease liabilities	9,489	9,893
Current portion of long-term debt (includes $6,000 and $6,000 accounted for under the fair value option at June 30, 2024 and March 31, 2024, respectively)	12,000	12,000
Other current liabilities	27,525	16,054
Total current liabilities	215,045	266,758
Liability instruments measured at fair value	26,887	25,737
Operating lease liabilities, noncurrent	45,853	47,265
Long-term debt, net of current portion (includes $82,369 and $204,371 accounted for under the fair value option at June 30, 2024 and March 31, 2024, respectively)	311,716	430,591
Other liabilities	1,661	3,602
Total liabilities	601,162	773,953
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Common shares, par value $0.0000000341740141 per share, 7,000,000,000 shares authorized and 739,053,106 and 806,677,954 shares issued and outstanding at June 30, 2024 and March 31, 2024, respectively	—	—
Additional paid-in capital	4,781,788	5,396,492
Retained earnings	671,469	576,172
Accumulated other comprehensive loss	(17,948)	(4,083)
Shareholders' equity attributable to Roivant Sciences Ltd.	5,435,309	5,968,581
Noncontrolling interests	459,977	479,948
Total shareholders' equity	5,895,286	6,448,529
Total liabilities and shareholders' equity	$ 6,496,448	$ 7,222,482

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ROIVANT SCIENCES LTD.
Condensed Consolidated Statements of Operations
(unaudited, in thousands, except share and per share amounts)

	Three Months Ended June 30,	
	2024	**2023**
Revenues:		
Product revenue, net	$ 18,367	$ 16,659
License, milestone and other revenue	36,765	4,965
Revenue, net	55,132	21,624
Operating expenses:		
Cost of revenues	3,978	4,214
Research and development (includes $11,009 and $7,953 of share-based compensation expense for the three months ended June 30, 2024 and 2023, respectively)	133,208	125,133
Acquired in-process research and development	—	12,500
Selling, general and administrative (includes $39,144 and $41,192 of share-based compensation expense for the three months ended June 30, 2024 and 2023, respectively)	148,519	156,190
Total operating expenses	285,705	298,037
Gain on sale of Telavant net assets	110,387	—
Loss from operations	(120,186)	(276,413)
Change in fair value of investments	(15,226)	7,564
Change in fair value of debt and liability instruments	(118,202)	54,512
Interest income	(72,127)	(16,715)
Interest expense	13,399	8,912
Other expense (income), net	1,825	(4,593)
Income (loss) before income taxes	70,145	(326,093)
Income tax expense	12,655	1,752
Net income (loss)	57,490	(327,845)
Net loss attributable to noncontrolling interests	(37,807)	(36,029)
Net income (loss) attributable to Roivant Sciences Ltd.	$ 95,297	$ (291,816)
Net income (loss) per common share:		
Basic	$ 0.13	$ (0.38)
Diluted	$ 0.12	$ (0.38)
Weighted average shares outstanding:		
Basic	735,816,536	759,273,550
Diluted	781,627,601	759,273,550

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ROIVANT SCIENCES LTD.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(unaudited, in thousands)

	Three Months Ended June 30,	
	2024	**2023**
Net income (loss)	$ 57,490	$ (327,845)
Other comprehensive loss:		
Change in fair value of debt due to change in subsidiary credit risk	(10,600)	—
Foreign currency translation adjustment	(3,232)	(4,148)
Total other comprehensive loss	(13,832)	(4,148)
Comprehensive income (loss)	43,658	(331,993)
Comprehensive loss attributable to noncontrolling interests	(37,774)	(36,184)
Comprehensive income (loss) attributable to Roivant Sciences Ltd.	$ 81,432	$ (295,809)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ROIVANT SCIENCES LTD.
Condensed Consolidated Statements of Shareholders' Equity
(unaudited, in thousands, except share data)

	Shareholders' Equity						
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Noncontrolling Interests	Total Shareholders' Equity
	Shares	Amount					
Balance at March 31, 2024	**806,677,954**	**$ —**	**$5,396,492**	**$ (4,083)**	**$ 576,172**	**$ 479,948**	**$ 6,448,529**
Issuance of the Company's common shares in connection with equity incentive plans and tax withholding payments	3,626,235	—	(11,147)	—	—	—	(11,147)
Issuance of subsidiary common shares, net	—	—	11,647	—	—	—	11,647
Subsidiary stock options exercised	—	—	433	—	—	312	745
Cash contributions to majority-owned subsidiaries	—	—	(69)	—	—	69	—
Repurchase of common shares	(71,251,083)	—	(648,385)	—	—	—	(648,385)
Share-based compensation	—	—	32,817	—	—	17,422	50,239
Change in fair value of debt due to change in subsidiary credit risk	—	—	—	(10,600)	—	—	(10,600)
Foreign currency translation adjustment	—	—	—	(3,265)	—	33	(3,232)
Net income (loss)	—	—	—	—	95,297	(37,807)	57,490
Balance at June 30, 2024	**739,053,106**	**$ —**	**$4,781,788**	**$ (17,948)**	**$ 671,469**	**$ 459,977**	**$ 5,895,286**

	Shareholders' Equity						
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interests	Total Shareholders' Equity
	Shares	Amount					
Balance at March 31, 2023	**760,143,393**	**$ —**	**$4,933,137**	**$ (2,617)**	**$ (3,772,754)**	**$ 449,821**	**$ 1,607,587**
Issuance of the Company's common shares in connection with equity incentive plans and tax withholding payments	6,994,468	—	14,395	—	—	—	14,395
Subsidiary stock options exercised	—	—	503	—	—	387	890
Cash contributions to majority-owned subsidiaries	—	—	(623)	—	—	623	—
Dividend declared by subsidiary	—	—	—	—	—	(6,000)	(6,000)
Share-based compensation	—	—	34,498	—	—	14,762	49,260
Foreign currency translation adjustment	—	—	—	(3,993)	—	(155)	(4,148)
Net loss	—	—	—	—	(291,816)	(36,029)	(327,845)
Balance at June 30, 2023	**767,137,861**	**$ —**	**$4,981,910**	**$ (6,610)**	**$ (4,064,570)**	**$ 423,409**	**$ 1,334,139**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ROIVANT SCIENCES LTD.
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Three Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net income (loss)	$ 57,490	$ (327,845)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Share-based compensation	50,191	49,260
Change in fair value of investments	(15,226)	7,564
Change in fair value of debt and liability instruments	(118,202)	54,512
Gain on sale of Telavant net assets	(110,387)	—
Depreciation and amortization	4,883	5,839
Non-cash lease expense	1,581	1,620
Other	5,576	(5,640)
Changes in assets and liabilities, net of effects from acquisition and divestiture:		
Other current assets	(16,334)	(4,639)
Accounts payable	(25,267)	11,940
Accrued expenses	(37,584)	(49,960)
Operating lease liabilities	(1,816)	(2,009)
Other	12,266	9,426
Net cash used in operating activities	(192,829)	(249,932)
Cash flows from investing activities:		
Purchase of property and equipment	(965)	(403)
Other	—	508
Net cash (used in) provided by investing activities	(965)	105
Cash flows from financing activities:		
Repayment of debt by subsidiary	(1,500)	(7,344)
Payments on principal portion of finance lease obligations	(329)	(464)
Proceeds from exercise of the Company's and subsidiary stock options	2,271	21,028
Taxes paid related to net settlement of equity awards	(12,673)	(5,743)
Repurchase of common shares	(648,385)	—
Net cash (used in) provided by financing activities	(660,616)	7,477
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(2,740)	(117)
Net change in cash, cash equivalents and restricted cash	(857,150)	(242,467)
Cash, cash equivalents and restricted cash at beginning of period	6,550,450	1,692,115
Cash, cash equivalents and restricted cash at end of period	$ 5,693,300	$ 1,449,648
Non-cash investing and financing activities:		
Dividend payable	$ —	$ 6,000
Issuance of subsidiary shares in connection with Debt Renegotiation	$ 11,647	$ —
Other	$ 113	$ (33)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ROIVANT SCIENCES LTD.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

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 the lives of patients by accelerating the development and commercialization of medicines that matter. The Company does this by creating nimble subsidiaries or "Vants" to develop and commercialize its medicines and technologies. Beyond therapeutics, the Company also incubates discovery-stage companies and health technology startups complementary to its biopharmaceutical business. 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. A Supplemental New Drug Application for VTAMA (tapinarof) for the topical treatment of atopic dermatitis in adults and children 2 years of age and older was accepted by the FDA in April 2024.

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, "Equity Method Investments" for further discussion of the Company's investments in unconsolidated entities.

RSL completed its business combination (the "Business Combination") with Montes Archimedes Acquisition Corp. ("MAAC"), a special purpose acquisition company, on September 30, 2021 and on October 1, 2021 began trading on the Nasdaq Global Select Market under the ticker symbol "ROIV."

(B) Liquidity

Historically, the Company has incurred significant operating losses and negative cash flows from operations since its inception. In December 2023, the Company sold its entire equity interest in its majority-owned subsidiary Telavant Holdings, Inc. ("Telavant"). At closing, the Company received approximately $5.2 billion in cash. As of June 30, 2024, the Company had cash and cash equivalents of approximately $5.7 billion and its retained earnings was approximately $671.5 million. For the three months ended June 30, 2024 and 2023, the Company had net income of approximately $57.5 million and incurred a net loss of approximately $327.8 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. ("Dermavant"), 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 may require additional capital to fully implement its business plan.

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 condensed 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 unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and follow the requirements of the United States Securities and Exchange Commission ("SEC") for interim financial reporting. Accordingly, these unaudited condensed consolidated financial statements do not include all of the information and disclosures required by U.S. GAAP for complete financial statements as certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 filed with the SEC. The unaudited condensed consolidated balance sheet at March 31, 2024 has been derived from the audited consolidated financial statements at that date. In the opinion of management, the unaudited condensed consolidated financial statements include all normal and recurring adjustments that are considered necessary to present fairly the financial position of the Company and its results of operations and cash flows for the interim periods presented. Operating results for the three months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2025, for any other interim period, or for any other future year.

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 unaudited condensed 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. 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 unaudited condensed consolidated statements of operations equal to the noncontrolling interest's proportionate share of the respective operations. The Company presents noncontrolling interests as a component of shareholders' equity on its unaudited condensed 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 the 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 June 30, 2024 and March 31, 2024, a majority of the Company's long-lived assets were located in the United States (''U.S.'').

(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 condensed consolidated statements of cash flows includes the aggregate amounts of cash, cash equivalents, and restricted cash as presented on the accompanying condensed consolidated balance sheets as follows (in thousands):

	June 30, 2024	March 31, 2024
Cash and cash equivalents	$ 5,678,514	$ 6,535,706
Restricted cash (included in "Other current assets")	5,409	5,367
Restricted cash (included in "Other assets")	9,377	9,377
Cash, cash equivalents and restricted cash	$ 5,693,300	$ 6,550,450

(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 contingent loss, including an estimable range, if possible.

(F) Investments

Investments in equity securities for which the Company does not have control or significant influence 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, "Equity Method Investments."

(G) Fair Value Measurements

The Company utilizes fair value measurement guidance prescribed by U.S. GAAP 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"); Class A units of Heracles Parent, L.L.C. ("Datavant"); liability instruments issued, including the earn-out shares liabilities issued in connection with the Company's business combination with MAAC (as discussed in Note 13, "Earn-Out Shares"); 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 Class A units of Datavant and liability instruments issued are classified as Level 3 within the fair value hierarchy as the assumptions and estimates used in the valuations are unobservable in the market. 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. 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. Other long-term debt issued by Dermavant is recorded at amortized cost under the interest method.

(H) Significant Accounting Policies

There were no significant changes to the Company's significant accounting policies from those disclosed in the Company's Form 10-K for the year ended March 31, 2024.

(I) Recently Adopted Accounting Pronouncements

The Company did not adopt any material accounting pronouncements during the three months ended June 30, 2024.

(J) 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.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. This ASU is applicable to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2025, and subsequent interim periods, with early adoption permitted. These amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which includes updates to the income tax disclosures related to the rate reconciliation and disaggregation of income taxes paid by jurisdiction. The amendments are effective for fiscal years beginning after December 15, 2024 and are applicable to the Company's fiscal year beginning April 1, 2025, with early adoption permitted. The amendments should be applied prospectively, however retrospective application is permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

Note 3—Revenue

(A) Product Revenue, Net

The Company's product revenue, net relates entirely to the sale of VTAMA in the U.S. The Company began generating product revenue, net from sales of VTAMA in the U.S. 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

In January 2020, Dermavant entered into a collaboration and license agreement with Japan Tobacco Inc. ("JT") for exclusive rights to develop, register, and market tapinarof in Japan for the treatment of dermatological diseases and conditions, including psoriasis and atopic dermatitis. In conjunction with this agreement, JT executed an exclusive license agreement with its subsidiary, Torii Pharmaceutical Co., Ltd., for co-development and commercialization of tapinarof in Japan. The Company evaluated the collaboration and license agreement and concluded that JT is a customer. During the three months ended June 30, 2024, the Company determined that certain development milestones totaling $28.0 million became probable as such milestones were achieved. As a result, the Company recorded $28.0 million as license, milestone and other revenue in the accompanying condensed consolidated statements of operations for the three months ended June 30, 2024. The payment was received in July 2024.

Note 4—Equity Method Investments

The Company maintains equity method investments in certain entities. As of June 30, 2024 and March 31, 2024, the most significant of these were the Company's investments in Arbutus and Datavant, which are accounted for using the fair value option.

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.

Investment in Arbutus

The Company holds an investment in Arbutus in the form of 38,847,462 common shares of Arbutus. As of June 30, 2024, RSL held approximately 21% of issued and outstanding shares of Arbutus.

At June 30, 2024 and March 31, 2024, the aggregate fair value of the Company's investment in Arbutus was $120.0 million and $100.2 million, respectively, with the Company recognizing an unrealized gain of $19.8 million and an unrealized loss of $28.4 million on its investment in Arbutus in the accompanying condensed consolidated statements of operations for the three months ended June 30, 2024 and 2023, respectively. The fair value of the Company's investment was determined using the closing price of Arbutus's common stock on June 30, 2024 and March 31, 2024 of $3.09 and $2.58, respectively.

Investment in Datavant

The Company holds an investment in Class A units of Datavant. As of June 30, 2024, the Company's minority equity interest represented approximately 9% of the outstanding Class A units in Datavant. Datavant's capital structure includes several classes of preferred units that, among other features, have liquidation preferences and conversion rights. Upon conversion of such preferred units into Class A units, the Company's ownership interest would be diluted.

As of June 30, 2024 and March 31, 2024, the fair value of the Company's investment was $142.9 million and $147.5 million, respectively, with the Company recognizing an unrealized loss of $4.6 million and an unrealized gain of $20.9 million on its investment in Datavant in the accompanying condensed consolidated statements of operations for the three months ended June 30, 2024 and 2023, respectively.

The fair value of the Company's investment 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 14, "Fair Value Measurements" for more information.

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. 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 U.S. 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):

	June 30, 2024	March 31, 2024
Gross amount	$ 155,778	$ 155,171
Less: accumulated amortization	(19,769)	(17,329)
Net book value	$ 136,009	$ 137,842

Amortization expense was $2.4 million for each of the three months ended June 30, 2024 and 2023 and was recorded as part of "Cost of revenues" in the accompanying condensed consolidated statements of operations. Future amortization expense is approximately $7.1 million for the remainder of the year ending March 31, 2025, $9.5 million for each of the years ending from March 31, 2026 through March 31, 2030 and $81.4 million thereafter. The Company's intangible assets are denominated in currencies other than U.S. dollar and therefore are subject to foreign currency movements.

Note 6—Recent Transactions and Developments

Telavant Disposition

On December 14, 2023 (the "Transaction Date"), the Company completed the sale of its entire equity interest in its majority-owned subsidiary Telavant to Roche Holdings, Inc. ("Roche") (the "Roche Transaction"). The Roche Transaction was made pursuant to a Stock Purchase Agreement dated October 22, 2023 among the Company, Telavant, Pfizer Inc. ("Pfizer"), and Roche (the "Stock Purchase Agreement"). Telavant was jointly formed by the Company and Pfizer in November 2022 to develop and commercialize RVT-3101, an anti-TL1A antibody in development for ulcerative colitis ("UC") and Crohn's disease, in the U.S. and Japan. Prior to the Roche Transaction, the Company held 75% of the issued and outstanding shares of common stock and preferred stock of Telavant, and Pfizer owned the remaining 25%, in each case on an as-converted basis.

Pursuant to the Stock Purchase Agreement, Roche acquired all of the issued and outstanding shares of capital stock of Telavant in exchange for approximately $7.1 billion in cash at the closing of the Roche Transaction and a one-time milestone payment of $150 million in cash payable upon the initiation of a Phase 3 trial in UC. The $7.1 billion in closing consideration was paid to all of Telavant's equity holders, including holders of restricted stock units, on a pro rata basis relative to their ownership of Telavant prior to the closing of the Roche Transaction, and this same treatment applies to the one-time milestone payment. The Company received an upfront payment of approximately $5.2 billion in cash as its pro rata portion of the consideration upon closing of the Roche Transaction.

In June 2024, the one-time milestone was achieved. Accordingly, the Company will receive approximately $110.4 million in cash for its pro rata portion of the milestone payment. The Company recognized a gain on sale of Telavant net assets of $110.4 million related to the one-time milestone payment during the three months ended June 30, 2024 in the accompanying condensed consolidated statements of operations. As of June 30, 2024, the milestone payment receivable of approximately $110.4 million is reflected as part of "Other current assets" on the accompanying condensed consolidated balance sheets. The milestone payment was received on August 2, 2024.

Note 7—Certain Balance Sheet Components

(A) Other Current Assets

Other current assets at June 30, 2024 and March 31, 2024 consisted of the following (in thousands):

	June 30, 2024	March 31, 2024
Prepaid expenses	$ 57,282	$ 55,096
Trade receivables, net	79,791	53,545
Restricted cash	5,409	5,367
Inventory	33,997	35,251
Income tax receivable	2,397	1,827
Interest receivable	22,646	27,441
Milestone receivable	110,387	—
Other	11,076	17,595
Total other current assets	$ 322,985	$ 196,122

(B) Accrued Expenses

Accrued expenses at June 30, 2024 and March 31, 2024 consisted of the following (in thousands):

	June 30, 2024	March 31, 2024
Research and development expenses	$ 46,455	$ 40,313
Compensation-related expenses	37,828	61,242
Sales allowances	27,736	23,277
Other expenses	26,269	50,754
Total accrued expenses	$ 138,288	$ 175,586

(C) Other Current Liabilities

Other current liabilities at June 30, 2024 and March 31, 2024 consisted of the following (in thousands):

	June 30, 2024	March 31, 2024
Deferred revenue	$ 2,660	$ 4,168
Income tax payable	23,442	10,469
Other	1,423	1,417
Total other current liabilities	$ 27,525	$ 16,054

Note 8—Long-Term Debt

Dermavant

Funding Agreement with NovaQuest

In connection with Dermavant's acquisition of tapinarof from GSK pursuant to an asset purchase agreement (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 May 2024, Dermavant entered into a series of agreements to renegotiate its existing debt obligations (the "Debt Renegotiation"). The Debt Renegotiation included an amendment to the NovaQuest Agreement (the "NovaQuest Agreement Amendment") as discussed further below.

Pursuant to the original terms of the NovaQuest Agreement, Dermavant agreed to make fixed payments to NovaQuest under the NovaQuest Agreement upon regulatory approval of tapinarof in exchange for the $117.5 million in total funding from NovaQuest. For each of the atopic dermatitis and psoriasis indications, Dermavant was 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 U.S. In the event that Dermavant received regulatory approval for one indication, and Dermavant terminated the development of the other indication for any reason other than a Technical Failure (as defined below), then Dermavant would 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 was deemed to occur for an indication if the development program for such indication was 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 that was expected to result in significant delay or cost to reach commercialization for the applicable indication. In addition, Dermavant was required to make up to $141.0 million in payments to NovaQuest upon achievement of certain commercial milestones. In the event that Dermavant was required to start making 15-year Payments, then Dermavant had 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 would be used first to offset the commercial milestone payments).

The NovaQuest Agreement Amendment eliminated the fixed quarterly cash payments totaling $176.3 million that would have been due and payable following regulatory approval of tapinarof in the U.S. for atopic dermatitis, if approved. In addition, the NovaQuest Agreement Amendment (i) eliminated cash payments of up to $141.0 million to NovaQuest that would have been due and payable upon achievement of certain commercial milestones by Dermavant and (ii) amended the timing of remaining cash payments, which now total $122.5 million in aggregate, to be paid between the fiscal years ending March 31, 2025 and March 31, 2029, with payments totaling $6.0 million per fiscal year for the fiscal years ending March 31, 2025 and March 31, 2026. There are no royalty payment requirements on commercialization of tapinarof.

In connection with the NovaQuest Agreement Amendment, Dermavant issued common shares to NovaQuest with a total fair value of $11.7 million, representing approximately 12.0% of Dermavant's issued and outstanding common and preferred shares (on an as converted basis). The common shares include certain anti-dilution top-up rights tied primarily to an equity commitment made by RSL. Refer to Note 9, "Shareholders' Equity" for further detail regarding the equity commitment made by RSL. The consideration paid was applied as a reduction to the long-term debt.

As of June 30, 2024, Dermavant has made cumulative payments totaling $60.3 million to NovaQuest.

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 accompanying condensed consolidated statements of operations at the end of each reporting period. As of June 30, 2024 and March 31, 2024, the fair value of the debt was $88.4 million and $210.4 million, respectively. The fair value as of June 30, 2024 reflects the amended terms resulting from the Debt Renegotiation. Refer to Note 14, "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):

	June 30, 2024	March 31, 2024
Fair value of long-term debt	$ 88,369	$ 210,371
Less: current portion	(6,000)	(6,000)
Total long-term debt, net	$ 82,369	$ 204,371

Credit Facility with XYQ Luxco

In May 2021, Dermavant and certain of its subsidiaries entered into a $40.0 million senior secured credit facility (the "Credit Facility") with XYQ Luxco S.A.R.L ("XYQ Luxco"), as lender, and U.S. Bank National Association, as collateral agent. As part of the Debt Renegotiation in May 2024, the Credit Facility was amended (the "Credit Facility Amendment") to extend the maturity date of the Credit Facility from May 2026 to May 2028 and to increase the interest rate payable on borrowings under the Credit Facility from 10.00% to 12.25% per annum.

Under the terms of the Credit Facility, as amended by the Credit Facility Amendment, the Credit Facility matures in May 2028 and bears an interest rate of 12.25% 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 June 30, 2024.

The Credit Facility Amendment was accounted for as a troubled debt restructuring as (i) Dermavant was experiencing financial difficulties and (ii) the lender was determined to have granted a concession. The Company did not record a gain in connection with the restructuring as the total undiscounted future cash payments for the Credit Facility exceeded the carrying value of the Credit Facility as of the effective date of the Credit Facility Amendment.

Outstanding debt obligations to XYQ Luxco were as follows (in thousands):

	June 30, 2024	March 31, 2024
Principal amount	$ 40,000	$ 40,000
Exit fee	5,000	5,000
Less: unamortized discount and debt issuance costs	(7,190)	(7,514)
Total debt, net	37,810	37,486
Less: current portion	—	—
Total long-term debt, net	$ 37,810	$ 37,486

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 U.S., 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.

As part of the Debt Renegotiation in May 2024, the RIPSA was amended (the "RIPSA Amendment"). The RIPSA Amendment provided for, among other things, a near-term cap on the royalties currently payable equal to $6.0 million per fiscal year for each of the fiscal years ending March 31, 2025, 2026 and 2027. The RIPSA Amendment did not otherwise amend the amount of the royalty payable, which is based on a capped single-digit revenue interest in net sales of VTAMA for all dermatological indications in the U.S., up to a cap of $344.0 million.

In connection with the RIPSA Amendment, Dermavant issued common shares to the holders of the RIPSA with a total fair value of $1.2 million, representing approximately 1.2% of Dermavant's issued and outstanding common and preferred shares (on an as converted basis). The common shares include certain anti-dilution top-up rights tied primarily to an equity commitment made by RSL. Refer to Note 9, "Shareholders' Equity" for further detail regarding the equity commitment made by RSL. The consideration paid was applied as a reduction to the long-term debt.

Each amended debt instrument held by the holders of the RIPSA under the RIPSA Amendment was accounted for as a troubled debt restructuring as (i) Dermavant was experiencing financial difficulties and (ii) the lender was determined to have granted a concession. The Company did not record a gain in connection with the restructuring as the total undiscounted future cash payments for the RIPSA exceeded the carrying balance of the RIPSA as of the effective date of the RIPSA Amendment.

The RIPSA carrying balance was as follows (in thousands):

	June 30, 2024	March 31, 2024
Carrying balance	$ 201,410	$ 198,810
Less: unamortized issuance costs	(3,873)	(4,076)
Total debt, net	197,537	194,734
Less: current portion	(6,000)	(6,000)
Total long-term debt, net	$ 191,537	$ 188,734

Note 9—Shareholders' Equity

(A) At-the-Market Equity Offering Program

On September 19, 2022, the Company entered into a 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 June 30, 2024, the Company had $400.0 million of remaining capacity available under the ATM Facility.

(B) Share Repurchase Program

The Company's board of directors has authorized a common share repurchase program, allowing for repurchases of common shares in an aggregate amount of up to $1.5 billion (excluding fees and expenses). The repurchase program is funded by available cash and cash equivalents on hand and does not have an expiration date. In April 2024, pursuant to the share repurchase program, the Company entered into a share repurchase agreement with Sumitomo Pharma Co., Ltd. ("Sumitomo") and repurchased all 71,251,083 common shares held by Sumitomo at a purchase price per share of $9.10, for an aggregate purchase price of approximately $648.4 million.

(C) Debt Renegotiation

In conjunction with the Debt Renegotiation completed in May 2024, RSL entered into an equity commitment letter (the "Equity Commitment Letter") with Dermavant. Under the Equity Commitment Letter, RSL agreed to contribute $195.0 million (the "Commitment") to Dermavant in exchange for convertible preferred shares with a 1.5 times liquidation preference on invested capital. RSL has contributed $125.0 million of the Commitment as of June 30, 2024. As part of the Debt Renegotiation, Dermavant issued common shares with an aggregate fair value of $12.9 million to NovaQuest and the holders of the RIPSA, representing approximately 13.2% of Dermavant's issued and outstanding common and preferred shares (on an as converted basis). The common shares include certain anti-dilution top-up rights tied primarily to RSL's Commitment.

Note 10—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, and the Roivant Sciences Ltd. Amended and Restated 2015 Restricted Stock Unit 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. At June 30, 2024, a total of 37,558,162 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 three months ended June 30, 2024 was as follows:

	Number of Options
Options outstanding at March 31, 2024	147,068,607
Granted	3,663,556
Exercised	(241,387)
Options outstanding at June 30, 2024	150,490,776
Options exercisable at June 30, 2024	104,709,668

Restricted Stock Units and Performance Stock Units

Activity for restricted stock units and performance stock units under the RSL Equity Plans for the three months ended June 30, 2024 was as follows:

	Number of Shares
Non-vested balance at March 31, 2024	16,778,211
Granted	2,652,124
Vested	(2,225,415)
Forfeited	(226,295)
Non-vested balance at June 30, 2024	16,978,625

Capped Value Appreciation Rights

March 2020 CVAR Grants

As of June 30, 2024, 17,548,368 CVARs remain outstanding. These CVARs had met the service vesting condition as of June 30, 2024 but have not satisfied their applicable hurdle price on an applicable hurdle measurement date.

November 2021 CVAR Grants

Activity for CVARs granted in November 2021 under the RSL 2021 EIP for the three months ended June 30, 2024 was as follows:

	Number of CVARs
Non-vested balance at March 31, 2024	1,782,078
Vested	(290,968)
Forfeited	(65,446)
Non-vested balance at June 30, 2024	1,425,664

During the three months ended June 30, 2024, 290,968 common shares were issued upon their settlement.

(B) 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 $17.5 million and $14.9 million for the three months ended June 30, 2024 and 2023, respectively, related to subsidiary EIPs.

Note 11—Income Taxes

The Company's effective tax rate for the three months ended June 30, 2024 and 2023 was 18.0% and (0.5)%, respectively. The effective tax rate for the three months ended June 30, 2024 is driven by the Company's gain on sale of Telavant's net assets, which qualifies for the substantial shareholding exemption in the U.K. and consequently is not subject to the corporation income tax, as well as earnings by jurisdiction and a valuation allowance that eliminates the Company's global net deferred tax assets. The effective tax rate for three months ended June 30, 2023 is driven by the earnings by jurisdiction and a valuation allowance that eliminates the Company's global net deferred tax assets.

The Company assesses the realizability of its 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 records a valuation allowance as necessary.

Note 12—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 8, "Long-Term Debt" for further information.

Lease Commitments

The Company has leases, consisting primarily of real estate leases. Refer to Note 13, "Leases" in the Company's Annual Report on Form 10-K for the year ended March 31, 2024 for further information regarding the Company's lease commitments. There have been no material changes to the commitments relating to the Company's leases during the three months ended June 30, 2024.

Other Commitments

The Company has entered into commitments under various asset acquisition and license agreements. Under these agreements, the Company is 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 the achievement of specified development, regulatory and commercial milestones, and the Company will be required to make milestone payments and royalty payments in connection with the sale of products developed under these agreements. Refer to Note 14, "Commitments and Contingencies" in the Company's Annual Report on Form 10-K for the year ended March 31, 2024 for further information regarding certain key asset acquisition and license agreements. There have been no material changes to the key asset acquisition and license agreements during the three months ended June 30, 2024, apart from changes to the milestones owed to NovaQuest as a result of the NovaQuest Agreement Amendment as discussed in Note 8, "Long-Term Debt." The Company has further commitments relating to other asset acquisition and license agreements entered and expects to enter into additional asset acquisition and license agreements in the future, which may require upfront payments and long-term commitments of capital resources.

Additionally, the Company enters into agreements with contract service providers to assist in the performance of its research and development 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.

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 prices. 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 June 30, 2024, the remaining minimum purchase commitment related to these agreements was estimated to be approximately $25.9 million.

In November 2021, the Company's subsidiary, Immunovant, entered into a Product Service Agreement ("PSA") with Samsung Biologics Co., Ltd. ("Samsung"), pursuant to which Samsung will manufacture and supply Immunovant with batoclimab drug substance for commercial sale, if approved, and perform other manufacturing-related services with respect to batoclimab. Upon execution of the PSA, Immunovant committed to purchase process performance qualification batches of batoclimab and pre-approval inspection batches of batoclimab which may be used for regulatory submissions and, pending regulatory approval, commercial sale. In addition, Immunovant has a minimum obligation to purchase further batches of batoclimab in the four-year period of 2026 through 2029. As of June 30, 2024, the remaining minimum purchase commitment related to this agreement was estimated to be approximately $44.5 million.

Cash Bonus Program

During the year ended March 31, 2024, the Company approved a special one-time cash retention bonus award to its employees in the aggregate amount of $79.7 million (the "Cash Bonus Program"). During the three months ended June 30, 2024, the Company recognized selling, general and administrative expense and research and development expense of $6.9 million and $1.8 million, respectively, relating to the Cash Bonus Program. The remaining portion of $22.0 million as of June 30, 2024 will be recognized over the applicable service periods of the awards made under the Cash Bonus Program.

Multi-Year Incentive Compensation Program

In July 2024, the Compensation Committee of the Board of Directors approved cash bonus awards for the Company's Chief Executive Officer, President and Chief Investment Officer, and President and Chief Operating Officer as part of a multi-year incentive compensation program. Refer to Note 16, "Subsequent Events" for further details.

(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.

(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 accompanying condensed consolidated financial statements as of June 30, 2024 and March 31, 2024.

Note 13—Earn-Out Shares

In connection with the Business Combination, the Company issued the following:

a. 2,033,591 common shares to Patient Square Capital LLC (the "MAAC Sponsor") and 10,000 common shares issued to each of MAAC's independent directors (collectively, the "20% Earn-Out Shares"), which will vest if the closing price of the Company's 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 common shares issued to the MAAC Sponsor and 5,000 common shares issued to each of MAAC's independent directors (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 the Company's 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 common shares issued to the MAAC Sponsor and each of MAAC's independent directors 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 accompanying condensed 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 statements of operations. As of June 30, 2024, no Earn-Out Shares have vested.

The Earn-Out Shares are subject to certain lock-up agreements pursuant to which, among other things, the MAAC Sponsor and each of MAAC's independent directors (the "MAAC Independent Directors") have agreed not to effect any sale or distribution of the Company's common shares during the applicable lock-up period, subject to customary exceptions. The lock-up periods applicable to the Company's common shares, including Earn-Out Shares, held by the MAAC Sponsor and MAAC Independent Directors as of immediately following the closing of the Business Combination (the "Closing") are (i) with respect to 25% of the Company's 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 Company's 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 Company's common shares held by the MAAC Sponsor and MAAC Independent Directors, thirty-six months following the Closing.

Note 14—Fair Value Measurements

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 June 30, 2024 and March 31, 2024, by level, within the fair value hierarchy (in thousands):

	As of June 30, 2024				As of March 31, 2024			
	Level 1	Level 2	Level 3	Balance as of June 30, 2024	Level 1	Level 2	Level 3	Balance as of March 31, 2024
Assets:								
Money market funds	$ 5,526,689	$ —	$ —	$ 5,526,689	$ 6,312,288	$ —	$ —	$ 6,312,288
Investment in Datavant Class A units	—	—	142,940	142,940	—	—	147,526	147,526
Investment in Arbutus common shares	120,039	—	—	120,039	100,227	—	—	100,227
Total assets at fair value	$ 5,646,728	$ —	$ 142,940	$ 5,789,668	$ 6,412,515	$ —	$ 147,526	$ 6,560,041
Liabilities:								
Debt issued by Dermavant to NovaQuest	$ —	$ —	$ 88,369	$ 88,369	$ —	$ —	$ 210,371	$ 210,371
Liability instruments measured at fair value[(1)]	—	—	26,887	26,887	—	—	25,737	25,737
Total liabilities at fair value	$ —	$ —	$ 115,256	$ 115,256	$ —	$ —	$ 236,108	$ 236,108

(1) At June 30, 2024, Level 3 includes the fair value of the Earn-Out Shares of $22.9 million and other liability instruments issued of $4.0 million. At March 31, 2024, Level 3 includes the fair value of the Earn-Out Shares of $22.0 million and other liability instruments issued of $3.7 million.

There were no transfers of assets between Level 1 and Level 2 of the fair value measurement hierarchy that occurred during the three months ended June 30, 2024.

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 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 three months ended June 30, 2024 and 2023 were as follows (in thousands):

Balance at March 31, 2023	$ 178,579
Changes in fair value of investment in Datavant, included in net loss	20,869
Balance at June 30, 2023	$ 199,448
Balance at March 31, 2024	$ 147,526
Changes in fair value of investment in Datavant, included in net income	(4,586)
Balance at June 30, 2024	$ 142,940

The changes in fair value of the Level 3 liabilities during the three months ended June 30, 2024 and 2023 were as follows (in thousands):

Balance at March 31, 2023	$	241,291
Payments related to long-term debt		(7,344)
Changes in fair value of debt and liability instruments, included in net loss		33,626
Balance at June 30, 2023	$	267,573
Balance at March 31, 2024	$	236,108
Payments related to long-term debt		(1,500)
Issuance of subsidiary shares in connection with Debt Renegotiation		(11,750)
Changes in fair value of debt and liability instruments, included in net income		(118,202)
Changes in fair value of debt, included in accumulated other comprehensive loss		10,600
Balance at June 30, 2024	$	115,256

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:

	Point Estimate Used	
Input	**As of June 30, 2024**	**As of March 31, 2024**
Volatility	100.0%	90.0%
Risk-free rate	5.03%	4.86%

Debt issued by Dermavant to NovaQuest

The fair value of the debt instrument as of June 30, 2024 and March 31, 2024 represents the fair value of amounts payable to NovaQuest and was estimated based upon the present value of discounted quarterly payments, which were modeled under the income approach for expected future payments through 2028. 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. Refer to Note 13, "Earn-Out Shares" for additional details. Significant unobservable inputs used to calculate the fair value of the Earn-Out Shares included the following:

	Point Estimate Used	
Input	**As of June 30, 2024**	**As of March 31, 2024**
Volatility	63.1%	63.2%
Risk-free rate	4.66%	4.50%

As of June 30, 2024 and March 31, 2024, the fair value of the Earn-Out Shares was $22.9 million and $22.0 million, respectively. Earn-Out Shares were included in "Liability instruments measured at fair value" in the accompanying condensed consolidated balance sheets.

Note 15—Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) attributable to Roivant Sciences Ltd. by the weighted-average number of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing the net income (loss) attributable to Roivant Sciences Ltd. by the diluted weighted-average number of common stock outstanding during the period.

The computations for basic and diluted net income (loss) per common share were as follows (in thousands, except share and per share amounts):

	Three Months Ended June 30,	
	2024	2023
Numerator:		
Net income (loss) attributable to Roivant Sciences Ltd.	$ 95,297	$ (291,816)
Denominator:		
Weighted average shares outstanding, basic	735,816,536	759,273,550
Effect of dilutive common stock equivalents	45,811,065	—
Weighted average shares outstanding, diluted	781,627,601	759,273,550
Net income (loss) per common share, basic	$ 0.13	$ (0.38)
Net income (loss) per common share, diluted	$ 0.12	$ (0.38)

For periods of net loss, 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. For the three months ended June 30, 2023, 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 net loss.

As of June 30, 2024 and 2023, the following potentially dilutive common stock equivalents were excluded from the computation of diluted net income (loss) per common share:

	June 30, 2024	June 30, 2023
Stock options and performance stock options	54,648,258	153,051,785
Restricted stock units and performance stock units (non-vested)	5,422,465	21,419,257
March 2020 CVARs[(1)]	17,548,368	30,260,772
November 2021 CVARs (non-vested)	200,722	2,864,577
Restricted common stock (non-vested)	255,911	647,530
Earn-Out Shares (non-vested)	3,080,387	3,080,387
Warrants	—	30,690,240
Other stock based awards and instruments issued	3,924,305	6,102,362

(1) Refer to Note 10, “Share-Based Compensation” for details regarding settlement of CVARs.

Note 16—Subsequent Events

In July 2024, the Compensation Committee of the Board of Directors approved a multi-year incentive compensation program for each of Matthew Gline, Chief Executive Officer; Mayukh Sukhatme, President and Chief Investment Officer; and Eric Venker, President and Chief Operating Officer. The program primarily consists of two key components: (i) one-time cash retention awards and (ii) long-term equity incentive awards granted in the form of performance restricted stock units ("PSUs") with both a performance- and a time-vesting component, time-vesting restricted stock units, and time-vesting stock options. The Company is evaluating the accounting for these awards and will include relevant disclosures in its Form 10-Q for the three months ending September 30, 2024.

A summary of the awards approved is as follows:

Executive	Title	Performance Restricted Stock Units (at max)	Restricted Stock Units	Stock Options	Cash Awards (in thousands)
Matthew Gline	Chief Executive Officer	14,450,000	2,754,821	—	$ 5,725
Mayukh Sukhatme	President and Chief Investment Officer	17,000,000	1,836,547	—	$ 80,550
Eric Venker	President and Chief Operating Officer	11,900,000[(1)]	204,000	409,000	$ 7,465

(1) The Company entered into a letter agreement pursuant to which Dr. Venker may be granted these PSUs in the future, in the sole discretion of the Compensation Committee of the Board of Directors.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our (1) unaudited condensed consolidated financial statements and notes to those statements included in this Quarterly Report on Form 10-Q ("Quarterly Report") and (2) audited consolidated financial statements and notes to those statements and management's discussion and analysis of financial condition and results of operations for the fiscal year ended March 31, 2024, included in our Annual Report on Form 10-K, filed with the SEC on May 30, 2024 (the "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 "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in this Quarterly Report. 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; IMVT-1402 and batoclimab, fully human monoclonal antibodies targeting the neonatal Fc receptor ("FcRn") in development across several IgG-mediated autoimmune indications; and brepocitinib, a potent small molecule inhibitor of TYK2 and JAK1 for the treatment of dermatomyositis and non-infectious uveitis, 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	sNDA Filed
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-1402	Numerous Indications	Immunovant	Biologic	Phase 1
Brepocitinib	Dermatomyositis	Priovant	Small Molecule	Phase 3*
Brepocitinib	Non-Infectious Uveitis	Priovant	Small Molecule	Phase 3*
Brepocitinib	Other Indications	Priovant	Small Molecule	Phase 2
Namilumab	Sarcoidosis	Kinevant	Biologic	Phase 2*
Undisclosed	Undisclosed Indication	New Vant	Undisclosed	Phase 2

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

** Indicates registrational or potentially registrational trials.*

The following table summarizes our ownership of certain of our subsidiary companies and affiliates as of June 30, 2024.

	Roivant Ownership	
Vant	Basic[1]	Fully Diluted[2]
Dermavant	87%	82%*
Immunovant	55%[3]	48%[3]
Priovant	75%	67%
Genevant	83%	65%
Kinevant	96%	90%
Covant	100%	87%
Psivant	48%	47%
Arbutus	21%[3]	19%[3]
Lokavant	57%	50%
VantAI	60%	49%
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.*

* *Roivant's fully-diluted ownership of Dermavant is calculated giving effect to the funding by Roivant of the full $195 million preferred equity commitment made to Dermavant in connection with the renegotiation of Dermavant's long-term debt obligations in May 2024 (inclusive of issued but unexercised warrants and options and restricted stock units held by current and former employees and other service providers as of June 30, 2024 (and, for purposes of this calculation, assuming no future incentive equity grants)).*

** *As of June 30, 2024, the Company's minority equity interest in Datavant represented approximately 9% 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 unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.*

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/Batoclimab	Immunovant	Additional detailed results from the batoclimab trial in Graves' disease and overview of IMVT-1402 program	Fall 2024
Namilumab	Kinevant	Topline data from Phase 2 trial in sarcoidosis	4Q 2024
VTAMA (tapinarof) cream	Dermavant	FDA PDUFA action for sNDA of VTAMA in atopic dermatitis	4Q 2024
Batoclimab	Immunovant	Topline data from Phase 3 trial in myasthenia gravis and initial data from period 1 of Phase 2B trial in chronic inflammatory demyelinating polyneuropathy	By March 31, 2025
Batoclimab	Immunovant	Topline data from Phase 3 trials in thyroid eye disease	1H 2025
Brepocitinib	Priovant	Topline data from Phase 3 trial in dermatomyositis	2H 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.

Recent Developments

- **Immunovant:** In August 2024, Immunovant announced completion of enrollment in batoclimab pivotal MG trial.

- **Priovant:** In June 2024, Priovant completed an end of Phase 2 meeting with the FDA and will progress brepocitinib to a Phase 3 program in NIU; detailed trial design will be shared at a later date. In July 2024, Priovant announced completion of enrollment in VALOR, a global Phase 3 study of brepocitinib in DM. The study enrolled 241 subjects across 90 sites on four continents, making it the largest interventional DM trial ever conducted.

- **Dermavant:** For the first quarter ended June 30, 2024, Roivant reported VTAMA net product revenue of $18.4M. As of July 2024, over 430,000 VTAMA prescriptions have been written by approximately 16,000 unique prescribers for psoriasis. VTAMA is covered for over 141M US commercial lives, including coverage by all three of the top pharmacy benefit managers.

- **Genevant:** In August 2024, the parties requested an amended case schedule in Genevant's and Arbutus's lawsuit against Moderna in order for Moderna to accommodate certain outstanding discovery requests. If the Court approves the request, the trial will begin in September 2025.

- **Roivant:** Roivant reported its consolidated cash, cash equivalents and restricted cash of $5.7B at June 30, 2024, following a $648M share repurchase announced in April 2024, and not including a $110M milestone payment received in August 2024 related to the previously announced sale of Telavant, which closed in December 2023.

Components of Results of Operations

Product revenue, net

Product revenue, net consists of net product revenues from the sale of VTAMA. 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 payments received in connection with license agreements, as well as revenue generated by subscription and service-based fees.

Cost of revenues

Cost of product revenues includes the cost of producing and distributing inventories related to VTAMA 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 may include cash upfront payments, shares and other liability instruments issued, and the 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.

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 promotes VTAMA, 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 U.S. or another jurisdiction. Additionally, in July 2024, the Compensation Committee of the Board of Directors approved a multi-year incentive compensation program for each of Matthew Gline, Chief Executive Officer; Mayukh Sukhatme, President and Chief Investment Officer; and Eric Venker, President and Chief Operating Officer. The long-term equity incentive awards granted pursuant to this program may result in significant increases to share-based compensation expense over the vesting period of the awards. Refer to Note 16, "Subsequent Events" of our financial statements for further details.

Gain on sale of Telavant net assets

Gain on sale of Telavant net assets reflects the gain resulting from the achievement of a one-time milestone in June 2024 related to the sale of our entire equity interest in our majority-owned subsidiary Telavant Holdings, Inc. ("Telavant") to Roche Holdings, Inc. ("Roche") (the "Roche Transaction"). In December 2023, Roche acquired all of the issued and outstanding shares of capital stock of Telavant in exchange for approximately $7.1 billion in cash at the closing of the Roche Transaction and a one-time milestone payment of $150 million in cash payable upon the initiation of a Phase 3 trial in UC. Prior to the Roche Transaction, we held 75% of the issued and outstanding shares of common stock and preferred stock of Telavant, and Pfizer Inc. owned the remaining 25%, in each case on an as-converted basis. The $7.1 billion in closing consideration was paid to all of Telavant's equity holders, including holders of restricted stock units, on a pro rata basis relative to their ownership of Telavant prior to the closing of the Roche Transaction, and this same treatment will be applied to the one-time milestone payment. We recognized a gain on sale of Telavant net assets of approximately $110 million for our pro rata portion of the one-time milestone consideration during the three months ended June 30, 2024. Refer to Note 6, "Recent Transactions and Developments" for further information regarding the Roche Transaction.

Change in fair value of investments

Change in fair value of investments includes the unrealized (gain) loss on equity investments, including Arbutus Biopharma Corporation ("Arbutus") and Heracles Parent, L.L.C. ("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 (gain) loss 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. ("Dermavant") to NovaQuest Co-Investment Fund VIII, L.P. (the "NovaQuest Facility"), and other liability instruments, including 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.

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 and consideration of the available facts and circumstances.

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. We record net loss attributable to noncontrolling interests equal to the noncontrolling interest's proportionate share of the respective operations.

Results of Operations

Comparison of the three months ended June 30, 2024 and 2023

The following table sets forth our results of operations for the three months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Revenues:			
Product revenue, net	$ 18,367	$ 16,659	$ 1,708
License, milestone and other revenue	36,765	4,965	31,800
Revenue, net	55,132	21,624	33,508
Operating expenses:			
Cost of revenues	3,978	4,214	(236)
Research and development	133,208	125,133	8,075
Acquired in-process research and development	—	12,500	(12,500)
Selling, general and administrative	148,519	156,190	(7,671)
Total operating expenses	285,705	298,037	(12,332)
Gain on sale of Telavant net assets	110,387	—	110,387
Loss from operations	(120,186)	(276,413)	156,227
Change in fair value of investments	(15,226)	7,564	(22,790)
Change in fair value of debt and liability instruments	(118,202)	54,512	(172,714)
Interest income	(72,127)	(16,715)	(55,412)
Interest expense	13,399	8,912	4,487
Other expense (income), net	1,825	(4,593)	6,418
Income (loss) before income taxes	70,145	(326,093)	396,238
Income tax expense	12,655	1,752	10,903
Net income (loss)	57,490	(327,845)	385,335
Net loss attributable to noncontrolling interests	(37,807)	(36,029)	(1,778)
Net income (loss) attributable to Roivant Sciences Ltd.	$ 95,297	$ (291,816)	$ 387,113

Variance analysis for three months ended June 30, 2024 and 2023

Revenue, net

For the three months ended June 30, 2024 and 2023, our revenue consisted of the following:

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Product revenue, net	$ 18,367	$ 16,659	$ 1,708
License, milestone and other revenue	36,765	4,965	31,800
Revenue, net	$ 55,132	$ 21,624	$ 33,508

Product revenue, net increased by $1.7 million to $18.4 million for the three months ended June 30, 2024, compared to $16.7 million for the three months ended June 30, 2023, primarily due to higher units sold. Product revenue, net consists of net product revenues from VTAMA sales, following the approval of VTAMA for the treatment of plaque psoriasis in adult patients by the FDA in May 2022. License, milestone and other revenue increased by $31.8 million to $36.8 million for the three months ended June 30, 2024, compared to $5.0 million for the three months ended June 30, 2023. The increase was largely due to $28.0 million of milestone income at Dermavant pursuant to a collaboration and license agreement with Japan Tobacco Inc. during the three months ended June 30, 2024.

Cost of revenues

For the three months ended June 30, 2024 and 2023**,** our cost of revenues consisted of the following:

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Cost of product and other revenues	$ 1,628	$ 1,844	$ (216)
Amortization of intangible assets	2,350	2,370	(20)
Cost of revenues	$ 3,978	$ 4,214	$ (236)

Cost of revenues decreased by $0.2 million to $4.0 million for the three months ended June 30, 2024, compared to $4.2 million for the three months ended June 30, 2023. During the three months ended June 30, 2024 and 2023, cost of revenues included $1.0 million and $0.7 million, respectively, of costs relating to VTAMA sales. Cost of revenues additionally included amortization expense recognized in connection with milestones capitalized following the FDA approval of VTAMA in May 2022.

Research and development expenses

For the three months ended June 30, 2024 and 2023**,** our research and development expenses consisted of the following:

	Three Months Ended June 30,		
	2024	2023[(1)]	Change
		(in thousands)	
Program-specific costs:			
Anti-FcRn franchise—neurological diseases	$ 18,479	$ 11,243	$ 7,236
Anti-FcRn franchise—endocrine diseases	15,913	6,319	9,594
Anti-FcRn franchise—other clinical and nonclinical	9,494	11,476	(1,982)
Brepocitinib	10,594	7,763	2,831
Tapinarof	6,956	9,543	(2,587)
Namilumab	4,377	3,302	1,075
RVT-2001	1,659	3,822	(2,163)
RVT-3101	—	10,925	(10,925)
Other development and discovery programs	9,584	8,326	1,258
Total program-specific costs	77,056	72,719	4,337
Unallocated internal costs:			
Share-based compensation	11,009	7,953	3,056
Personnel-related expenses	35,177	33,602	1,575
Other expenses	9,966	10,859	(893)
Total research and development expenses	$ 133,208	$ 125,133	$ 8,075

(1) Certain prior year amounts have been reclassified to conform to current year presentation.

Research and development expenses increased by $8.1 million to $133.2 million for the three months ended June 30, 2024, compared to $125.1 million for the three months ended June 30, 2023. This increase was primarily driven by increases in program-specific costs of $4.3 million, share-based compensation of $3.1 million, and personnel-related expenses of $1.6 million.

Within program-specific costs, the increase of $4.3 million was primarily driven by an increase in expense of $14.8 million related to the anti-FcRn franchise, partially offset by a decrease in expense of $10.9 million related to RVT-3101 for which the rights to further develop and manufacture were sold to Roche in December 2023.

Acquired in-process research and development expenses

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Acquired in-process research and development	$ —	$ 12,500	$ (12,500)

Acquired in-process research and development expenses were $12.5 million for the three months ended June 30, 2023 relating to the achievement of development and regulatory milestones for batoclimab.

Selling, general and administrative expenses

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Selling, general and administrative	$ 148,519	$ 156,190	$ (7,671)

Selling, general and administrative expenses decreased by $7.7 million to $148.5 million for the three months ended June 30, 2024, compared to $156.2 million for the three months ended June 30, 2023, primarily due to a decrease in selling, general and administrative expenses of $16.1 million at Dermavant, which largely resulted from reduced marketing spend. This decrease was partially offset by an increase in personnel-related expenses of $7.3 million, primarily as a result of a special one-time cash retention bonus award granted to employees, following approval in December 2023.

Gain on sale of Telavant net assets

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Gain on sale of Telavant net assets	$ 110,387	$ —	$ 110,387

Gain on sale of Telavant net assets was approximately $110.4 million for the three months ended June 30, 2024 and resulted from the achievement of a one-time milestone achieved in June 2024. Refer to Note 6, “Recent Transactions and Developments” of our financial statements for further information regarding the milestone.

Change in fair value of investments

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Change in fair value of investments	$ (15,226)	$ 7,564	$ (22,790)

Change in fair value of investments was an unrealized gain of $15.2 million and an unrealized loss of $7.6 million for the three months ended June 30, 2024 and 2023, respectively. The change of $22.8 million was primarily driven by changes in the public share price of Arbutus and the change in fair value of our investment in Datavant.

Change in fair value of debt and liability instruments

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Change in fair value of debt and liability instruments	$ (118,202)	$ 54,512	$ (172,714)

Change in fair value of debt and liability instruments was a gain of $118.2 million and a loss of $54.5 million for the three months ended June 30, 2024 and 2023, respectively. Change in fair value of debt and liability instruments for the three months ended June 30, 2024 primarily consisted of a gain of $119.4 million relating to the NovaQuest Facility, largely as a result of the Debt Renegotiation completed in May 2024. Refer to Note 8, “Long-Term Debt” of our financial statements for further information regarding the Debt Renegotiation. Change in fair value of debt and liability instruments for the three months ended June 30, 2023 primarily consisted of a loss of $40.0 million relating to the warrant and earn-out share liabilities issued as part of the Business Combination and a loss of $14.3 million relating to the NovaQuest Facility.

Interest income

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Interest income	$ (72,127)	$ (16,715)	$ (55,412)

Interest income increased by $55.4 million to $72.1 million for the three months ended June 30, 2024, compared to $16.7 million for the three months ended June 30, 2023. The increase is primarily due to higher cash balances in our interest-bearing cash accounts and higher interest rates.

Interest expense

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Interest expense	$ 13,399	$ 8,912	$ 4,487

Interest expense increased by $4.5 million to $13.4 million for the three months ended June 30, 2024, compared to $8.9 million for the three months ended June 30, 2023. The increase primarily resulted from costs incurred related to the Debt Renegotiation completed in May 2024. Refer to Note 8, "Long-Term Debt" of our financial statements for further information regarding the Debt Renegotiation.

Income tax expense

	Three Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Income tax expense	$ 12,655	$ 1,752	$ 10,903

Income tax expense increased by $10.9 million to $12.7 million for the three months ended June 30, 2024, compared to $1.8 million for the three months ended June 30, 2023. The increase is primarily due to our earnings by legal entity in various jurisdictions, which is driven by an increase in interest income.

Liquidity and Capital Resources

For the three months ended June 30, 2024 and 2023, we had net income of $57.5 million and a net loss of $327.8 million, respectively. As of June 30, 2024, we had cash and cash equivalents of approximately $5.7 billion and our retained earnings was $671.5 million. Through our subsidiary Dermavant, we launched our first commercial product, VTAMA, and 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 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.

Debt Renegotiation

On May 24, 2024, Dermavant entered into a series of agreements to renegotiate its existing debt obligations (the "Debt Renegotiation"). The Debt Renegotiation included amendments to (i) the NovaQuest Agreement (the "NovaQuest Agreement Amendment"), (ii) the Credit Facility (the "Credit Facility Amendment"), and (iii) the RIPSA (the "RIPSA Amendment" and collectively with the NovaQuest Agreement Amendment and the Credit Facility Amendment, the "Amendments").

The NovaQuest Agreement Amendment eliminated the fixed quarterly cash payments totaling $176.3 million that would have been due and payable following regulatory approval of tapinarof in the U.S. for atopic dermatitis, if approved. In addition, the NovaQuest Agreement Amendment (i) eliminated cash payments of up to $141.0 million to NovaQuest that would have been due and payable upon achievement of certain commercial milestones by Dermavant and (ii) amended the timing of remaining cash payments, which now total $122.5 million in aggregate, to be paid between the fiscal years ending March 31, 2025 and March 31, 2029, with payments totaling $6.0 million per fiscal year for the fiscal years ending March 31, 2025 and March 31, 2026.

The Credit Agreement Amendment extended the maturity date of the Credit Facility from May 2026 to May 2028 and increased the interest rate payable on borrowings under the Credit Facility from 10.00% to 12.25% per annum.

The RIPSA Amendment provided for, among other things, a near-term cap on the royalties currently payable equal to $6.0 million per fiscal year for each of the fiscal years ending March 31, 2025, 2026 and 2027. The RIPSA Amendment did not otherwise amend the amount of the royalty payable, which is based on a capped single-digit revenue interest in net sales of VTAMA for all dermatological indications in the U.S., up to a cap of $344.0 million.

The Amendments also included certain other modifications to non-economic terms of the NovaQuest Agreement, including certain representations and covenants relating to the continued validity of, and performance by us, under an equity commitment letter (the "Equity Commitment Letter") entered into in conjunction with the Amendments on May 24, 2024. Under the Equity Commitment Letter, Roivant agreed to contribute $195.0 million (the "Commitment") to Dermavant in exchange for convertible preferred shares with a 1.5 times liquidation preference on invested capital. Roivant has contributed $125.0 million of the Commitment as of June 30, 2024.

In connection with the Amendments, Dermavant issued common shares to NovaQuest and the holders of the RIPSA in an aggregate amount equal to approximately 13.2% of Dermavant's issued and outstanding common and preferred shares (on an as converted basis) pursuant to subscription agreements (the "Subscription Agreements"). The common shares include certain anti-dilution top-up rights tied primarily to our Commitment. The Amendments, together with the Equity Commitment Letter and the Subscription Agreements, constitute the "Debt Renegotiation."

As of June 30, 2024, we owned approximately 87% of Dermavant's issued and outstanding common and preferred shares.

Share Repurchase Program

Our board of directors authorized a common share repurchase program, allowing for repurchases of common shares in an aggregate amount of up to $1.5 billion (excluding fees and expenses). The repurchase program is funded by available cash and cash equivalents on hand and does not have an expiration date. In April 2024, pursuant to the share repurchase program, we entered into a share repurchase agreement with Sumitomo Pharma Co., Ltd. ("Sumitomo") and repurchased all 71,251,083 common shares held by Sumitomo at a purchase price per share of $9.10, for an aggregate purchase price of approximately $648.4 million.

Liquidity Requirements

Our short-term and long-term liquidity requirements as of June 30, 2024 included:

- contractual payments related to our long-term debt (see Note 8, "Long-Term Debt" of our condensed consolidated financial statements);
- obligations under our leases. Refer to Note 13, "Leases" in our Annual Report on Form 10-K for the year ended March 31, 2024 for further information regarding our lease commitments. There have been no material changes to the commitments relating to our leases during the three months ended June 30, 2024;
- certain commitments to Samsung Biologics Co., Ltd. ("Samsung") pursuant to a Product Service Agreement ("PSA") entered between Immunovant and Samsung pursuant to which Samsung will manufacture and supply Immunovant with batoclimab drug substance for commercial sale, if approved, and perform other manufacturing-related services with respect to batoclimab. Upon execution of the PSA, Immunovant committed to purchase process performance qualification batches of batoclimab and pre-approval inspection batches of batoclimab which may be used for regulatory submissions and, pending regulatory approval, commercial sale. In addition, Immunovant has a minimum obligation to purchase further batches of batoclimab in the four-year period of 2026 through 2029. As of June 30, 2024, the remaining minimum purchase commitment related to this agreement was estimated to be approximately $44.5 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 prices. 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 June 30, 2024, the minimum purchase commitment related to these agreements was estimated to be approximately $25.9 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.

We have entered into commitments 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 the achievement of specified development, regulatory and commercial milestones, and we will be required to make milestone payments and royalty payments in connection with the sale of products developed under these agreements. We expect to enter into additional asset acquisition and license agreements in the future, which may require upfront payments and long-term commitments of capital resources.

We enter into agreements with contract service providers to assist in the performance of its research and development 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, we can elect to discontinue the work under these agreements at any time. We expect 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.

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.

In the future, we may require significant additional capital to continue our operations, pursue business opportunities or strategic transactions, or respond to challenges, competition or unforeseen circumstances. Until such time, if ever, that we can generate substantial revenues, we may finance future 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.

Finally, as part of our ongoing business strategy we regularly evaluate new acquisition and in-licensing opportunities, as well as our capital structure. We may from time to time use our existing cash to fund such opportunities or to retire outstanding debt obligations or to return capital to shareholders though share repurchases or the issuance of cash dividends on our common shares to optimize our capital structure. See "Risk Factors—Risks Related to Our Business and Industry—We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management" for more information.

Cash Flows

The following table sets forth a summary of our cash flows for the three months ended June 30, 2024 and 2023:

	Three Months Ended June 30,	
	2024	**2023**
	(in thousands)	
Net cash used in operating activities	$ (192,829)	$ (249,932)
Net cash (used in) provided by investing activities	$ (965)	$ 105
Net cash (used in) provided by financing activities	$ (660,616)	$ 7,477

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 three months ended June 30, 2024, cash used in operating activities changed by $57.1 million to $192.8 million compared to $249.9 million for the three months ended June 30, 2023 due to greater cash requirements to fund operations during the three months ended June 30, 2023.

Investing Activities

For the three months ended June 30, 2024 and 2023, cash flow from investing activities changed by $1.1 million to net cash used in investing activities of $1.0 million from net cash provided by investing activities of $0.1 million for the three months ended June 30, 2023.

Financing Activities

For the three months ended June 30, 2024 and 2023, cash flow from financing activities changed by $668.1 million to net cash used in financing activities of $660.6 million from net cash provided by financing activities of $7.5 million for the three months ended June 30, 2023. This change in cash flow is primarily due to the repurchase of $648.4 million of our common shares during the three months ended June 30, 2024.

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 unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these unaudited condensed consolidated 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 unaudited condensed consolidated 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.

There have been no significant changes to our critical accounting policies and use of estimates from those disclosed under Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended March 31, 2024 in our Form 10-K.

Recent Accounting Pronouncements

For information with respect to recently issued accounting standards and the impact of these standards on our unaudited condensed consolidated financial statements, refer to Note 2, "Summary of Significant Accounting Policies" in our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

As of June 30, 2024, we had cash, cash equivalents and restricted cash of approximately $5.7 billion. Interest income is sensitive to changes in the general level of interest rates; however, due to the nature of our account portfolio, an immediate hypothetical 10% change in interest rates would not have a material effect on our liquidity.

As of June 30, 2024, our outstanding debt instruments included the NovaQuest Facility, which provides for fixed payment amounts; the Credit Facility, which has a fixed interest rate; and the RIPSA for which royalties are paid based on a capped single-digit revenue interest in net sales of VTAMA in the U.S. Due to the nature of these debt instruments, volatility in interest rates does not impact repayment amounts.

Foreign Currency Exchange Rate Risk

Our employees and our operations are currently primarily located in the U.S. and our expenses are generally denominated in U.S. dollars. We therefore are not currently exposed to significant market risk related to changes in foreign currency exchange rates. However, we are exposed to fluctuations in foreign currency exchange rate risk as a result of entering into transactions denominated in currencies other than U.S. dollars as we have contracted with and may continue to contract with foreign vendors and counterparties. We believe an immediate hypothetical 10% change in exchange rates during any of the periods presented would not have a material effect on our liquidity or our condensed consolidated financial statements.

Equity Price Risk

As of June 30, 2024, we were exposed to price risk on equity securities included in our portfolio of investments, the most significant of which were our investments in Arbutus and Datavant. Our investments in Arbutus and Datavant are measured at fair value with any changes in fair value recognized in our statements of operations, which therefore may increase the volatility of our earnings. A hypothetical 20% increase or decrease in our investments in Arbutus and Datavant would have increased or decreased their fair value as of June 30, 2024 by approximately $53 million.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures.

We maintain "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")), that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit 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 provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Our management, with the participation of our Principal Executive Officer and our Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024, the end of the period covered by this Quarterly Report. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2024 at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting.

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended June 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Control.

Our management, including our Principal Executive Officer and Principal Financial Officer, does not expect that our disclosure controls and procedures, or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

PART II—OTHER INFORMATION

Item 1. 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 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 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 Quarterly Report, including our unaudited condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report, 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 relatively limited operating history and the inherent uncertainties and risks involved in biopharmaceutical product development and commercialization may make it difficult for us to execute on our business model and for you to assess our future viability. We have generated limited revenue from our operations since inception, and there is no guarantee that we will generate significant revenues in the future.

We are a commercial-stage biopharmaceutical and healthcare technology company with a relatively 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."

Following the approval by the U.S. Food and Drug Administration (the "FDA") in May 2022 of VTAMA® (tapinarof) cream, 1%, for the treatment of adults with plaque psoriasis, we commenced our transition from a clinical-stage company to one with commercial-stage assets. In February 2024, we submitted a Supplemental New Drug Application ("sNDA") to the FDA for VTAMA for the topical treatment of atopic dermatitis ("AD") in adults and children 2 years of age and older. 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;
- successfully complete ongoing preclinical studies and clinical trials and obtain regulatory approvals for our current and future product candidates;
- identify new acquisition or in-licensing opportunities;
- launch commercial sales of future product candidates, whether alone or in collaboration with others, including establishing sales, marketing and distribution systems;
- successfully grow our healthcare technology Vants and market the products and services offered by those Vants;
- 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;

- initiate and maintain 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;
- raise additional funds when needed and on terms acceptable to us;
- successfully identify new product candidates through our discovery efforts and advance those product candidates into preclinical studies and clinical trials; 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 significant revenues or maintain profitability. 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 the continued commercialization of VTAMA and that of any future product candidates, if approved, and advancing our ongoing clinical trials and discovery efforts until our revenues from product sales of VTAMA and any other approved products exceeds such expenses, which may never occur.

We may never achieve sustained 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., and submitted an sNDA to the FDA for VTAMA for the topical treatment of AD in adults and children 2 years of age and older, we have not yet received 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 June 30, 2024, we had cash, cash equivalents and restricted cash of approximately $5.7 billion and retained earnings of approximately $671.5 million.

We may never be able to develop or successfully commercialize new marketable drugs or achieve sustained profitability. To achieve sustained profitability, 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. and we have submitted an sNDA to the FDA for VTAMA for the topical treatment of AD, 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 from product revenues 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.

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 incur substantial operating losses for the foreseeable future. Our ability to generate meaningful product revenue and achieve sustained 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 product candidates and manufacture and successfully market our current and future products alone or in collaboration with others.

We have relatively limited experience as a commercial-stage 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 relatively limited experience as a commercial-stage 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;
- the costs and other risks associated with expansion of a commercial product into multiple indications, including increased sales and marketing costs; and
- other unforeseen costs, expenses and risks associated with the commercialization of biopharmaceutical products, including compliance costs.

In February 2024, we submitted an sNDA to the FDA for VTAMA for the topical treatment of AD for adults and children 2 years of age and older. To the extent that we receive FDA approval for VTAMA in that indication, or receive regulatory approval for VTAMA or any of our future products or product candidates in any other jurisdictions, we would expect to incur additional increased cash costs associated with those commercial activities.

Our relatively 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. Further, given our relatively 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 pursue 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 or 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. Our business and prospects would be materially harmed by any such failures and our results of operations and financial condition would likely suffer materially as a result.

Our business is dependent to a significant extent on the successful commercialization of VTAMA and the development, regulatory approval and commercialization of our current and future products and 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. in May 2022. In February 2024, we submitted an sNDA to the FDA for VTAMA for the topical treatment of AD for adults and children 2 years of age and older. The success of our business, including our ability to generate any substantial revenues in the future, will depend to a significant extent on the successful commercialization of VTAMA and the successful development, regulatory approval and commercialization of our other current and future products and product candidates. The commercial success of VTAMA and the clinical and commercial success of our other current and future products and 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 current or future products in the U.S. and internationally, whether alone or in collaboration with others;
- acceptance by physicians, payers and patients of the benefits, safety and efficacy of VTAMA or any of our current or future products, 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 foreign regulatory authorities to conduct additional clinical trials or other studies beyond those planned to support the approval and commercialization of our current or future products or product candidates;
- acceptance of our proposed indications and primary and secondary endpoint assessments relating to the proposed indications of our current or future products or product candidates by the FDA and foreign regulatory authorities;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with VTAMA or our current or future products or product candidates;
- the timely receipt of necessary marketing approvals from the FDA and foreign regulatory authorities for our current or future products or product candidates;
- 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 current or future products or product candidates;
- the willingness of physicians and patients to utilize or adopt VTAMA and any of our current or future products or 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 current or future products or 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 for VTAMA and any of our current or future products or product candidates, such as Medicare and Medicaid;
- patient demand for VTAMA and any of our current or future products or product candidates;
- our ability to establish and enforce intellectual property rights in and to any of our current or future products or 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 any of our current or future products or product candidates to achieve or maintain profitability.

We may not be successful in our efforts to acquire or in-license new product candidates, and newly acquired or in-licensed product candidates may not perform as expected in clinical trials or be successful in eventually achieving marketing approvals.

The success of our business depends in large part on our ability to successfully identify new product candidates, generally through acquisitions or in-licensing transactions. 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. Once identified, we typically seek to in-license these assets from partners for low or no upfront payment, with future royalty or milestone payments to the licensor tied to the successful achievement of pre-specified development or commercialization benchmarks. From time to time, we also use joint venture structures for our Vants, where the licensor receives a minority equity ownership stake in the Vant formed around an in-licensed asset. Certain potential licensors may be unwilling or unable to pursue these types of transaction structures, which could have the effect of limiting the number of available in-licensing candidates or make us a less attractive partner for a given asset, relative to other potential acquirors.

Following the acquisition or in-licensing, our strategy often entails designing low-cost studies for a product candidate that result in a quick "go/no-go" decision on whether or how to proceed with future development for a given asset. We may decide to proceed with the development of a product candidate on the basis of that study and later determine that the more costly and time intensive trials required for regulatory approvals do not support the initial value the product candidate was thought to hold or demonstrate the product profile required for a marketing approval. Even if a product candidate does prove to be valuable or successful in receiving marketing approval, its value may be less than we anticipated at the time of the investment, including after payments of applicable royalty and milestone payments to the licensor, and we may not be able to recover our investment into the development of the product candidate.

We also face significant competition for attractive investment opportunities. A number of companies compete with us for such opportunities, some of which may possess greater financial or technical resources. If we are unable to identify a sufficient number of potential product candidates for acquisition or in-licensing, or if the product candidates that we identify do not prove to be as valuable as anticipated, we will not be able to successfully develop or receive marketing approval for those product candidates, and our business and results of operations may suffer materially as a result. Any such failure to in-license or acquire new product candidates from third parties, or the failure of those product candidates to succeed in clinical trials and eventually receive marketing approval, would have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Because we have finite 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, legal 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, would have a material adverse effect on our business, financial condition, results of operations and prospects.

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 with their own management teams and equity incentive structures. 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 Roivant and 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 at Roivant and at multiple 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. Our Vants have equity incentive plans, which can dilute our ownership interest in the Vant as those awards vest and are exercised, and certain of our Vants have issued debt or equity securities senior to our ownership interests, which dilutes our economic interest in the Vants and can in certain cases, such as our publicly traded subsidiary Immunovant, limit our operational control of the Vant. The vesting and exercise of incentive equity awards at the Vants, as well as future capital needs at the Vants – which may be financed through senior debt or equity securities or common equity – may further dilute or subordinate our ownership and economic interests in the Vants or reduce our operational control of the Vants. In addition, recipients of Vant equity awards may have economic alignment with a Vant that incentivizes them to act in ways that prioritize the success of a Vant over the success of the Company as a whole, which could adversely impact our consolidated business, financial condition, results of operations or prospects. For more information on our ownership of our Vants, see "Business–Overview–Vant Ownership."

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 as a shareholder. 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 sufficient funds to enable us 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, the termination of a license agreement 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 due to errors or mistaken assumptions in our analysis or the inherent uncertainties in the drug development process, among other reasons. 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. For example, in December 2023, we completed a transaction to sell Telavant, which was owned by us and Pfizer, to Roche for aggregate upfront consideration of $7.1 billion and a near-term, one-time milestone payment of $150 million (the "Roche Transaction"). 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 or separation 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 transaction. 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 such as the Roche Transaction 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, there can be no assurance that transactions of the nature described above will be undertaken or successfully completed, and that any transaction we do complete will not have a material adverse effect on our business, results of operations, financial condition and prospects.

We face risks associated with the use of our cash, cash equivalents and restricted cash, including any return of capital to shareholders.

As of June 30, 2024, we had cash, cash equivalents and restricted cash of approximately $5.7 billion. Our management team has broad discretion in respect of use of our cash, cash equivalents and restricted cash. We may use all or a portion of such proceeds for one or more strategic transactions, including acquisitions of companies, asset purchases or sales or in-licensing of intellectual property, products or product candidates or technologies, as described above. We may not be able to find a suitable strategic transaction that we deem sufficiently attractive to pursue, and may not be able to complete a strategic transaction in the future. Our ability to complete a strategic transaction may be negatively impacted by general market conditions, volatility in the capital markets and the other risks described herein.

We may also decide to return capital to shareholders through one or a combination of public or private share repurchases, or the issuance of cash dividends on our common shares. As previously disclosed, our board of directors has authorized a common share repurchase program, allowing for repurchases of common shares in an aggregate amount of up to $1.5 billion (excluding fees and expenses) (the "2024 Repurchase Program"). A portion of the 2024 Repurchase Program, approximately $648.4 million, was used to repurchase all of the common shares held by Sumitomo Pharma Co., Ltd. in April 2024.

The timing and total amount of any additional common shares repurchased under the 2024 Repurchase Program or any future repurchase authorization from our board of directors will depend on several factors, including the market price of our common shares, general business, macroeconomic and market conditions and other investment opportunities, as well as the discretion of our board of directors, or its delegees, that any such activity would be in the best interests of our shareholders and in compliance with all applicable laws and our contractual obligations. In the event that we decide to pursue further repurchases of common shares, we may be limited in our ability to repurchase our common shares by various governmental laws, rules and regulations which prevent us from purchasing our common shares during periods when we are in possession of material non-public information. We may also use our discretion to repurchase common shares from certain shareholders without offering the opportunity to all shareholders to have their common shares repurchased at that time and price. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur.

The amount of cash available to return to shareholders, if any, can vary significantly from period to period for a number of reasons, including, 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. The returns of capital to shareholders may change in form, amount, value and frequency from time to time, and we cannot guarantee that any such future returns of capital will take place. The trading price of our common shares may decline, possibly materially, if we are unable to meet investor expectations with respect to the timing and total amount of future capital returns to shareholders. There is no guarantee that our significant balance of cash, cash equivalents and restricted cash will be used to increase our operating results, return capital to shareholders or enhance the value of our common shares.

We are exposed to risks related to our significant holdings of cash, cash equivalents and restricted cash.

Our significant holdings of cash, cash equivalents and restricted cash can be negatively affected by changes in liquidity, financial results, market and economic conditions, political risk, currency risk, credit risk, sovereign risk, interest rate fluctuations or other factors. As a result, the value and liquidity of our cash, cash equivalents and restricted cash may fluctuate substantially. Additionally, we may from time to time have balances in bank accounts that are in excess of insured deposit limits, and could be subject to risks of bank failures. Therefore, although we have not realized any significant losses on our cash, cash equivalents and restricted cash, future fluctuations in their value could result in significant losses and could have a material adverse impact on our results of operations and financial condition.

We may 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, in the future, we may 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 for our current and future products and product candidates;
- 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 for our current and future product candidates;
- 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 current and future 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, for our current and future product candidates;
- 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.

In the event that we require additional financing, 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, heightened 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.

In the future, we may require significant additional capital to continue our operations, pursue business opportunities or strategic transactions, or respond to challenges, competition or unforeseen circumstances. Until such time, if ever, that we can generate substantial revenues, we may finance future 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 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, divestitures or other 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 U.S., 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.

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, Covant and VantAI, which employ a variety of approaches to the drug discovery process, including quantitative proteomics, induced proximity 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.

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 accepted for review or ultimately 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 current or 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.

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. In addition, disruptions caused by any 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. 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.

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, 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, limited trial site capacity and staffing as a result of healthcare worker shortages, 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 IMVT-1402 and batoclimab, which target certain 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. 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 reductions in IgG antibodies and favorable analyte profile observed in our Phase 1 trial of IMVT-1402 will be observed in future clinical trials, including pivotal trials necessary for regulatory approvals, or that such reductions in IgG antibodies will result in clinical benefit that is sufficient to demonstrate that the efficacy endpoints of the study are met. 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, we previously disclosed 24-week data from our NEPTUNE trial of brepocitinib in non-anterior non-infectious uveitis, results from the initial cohort of patients in our Phase 2 trial of batoclimab in Graves' disease and initial human data from our Phase 1 trial of IMVT-1402. 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 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 U.S. 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 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 U.S. 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.

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.

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 of plaque psoriasis in adults, and have submitted an sNDA to the FDA for the approval of VTAMA for the treatment of AD for adults and children 2 years of age and older, it is possible that VTAMA will not receive this regulatory approval or obtain any other regulatory approvals 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 referred for review 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”) drug safety program 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.

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 relatively 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, revoke, suspend, vary, or limit their approval of the product or require a REMS (or equivalent outside the U.S.) to impose restrictions on its distribution or other risk management measures;
- regulatory authorities may request or 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 U.S. 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., and have submitted an sNDA to the FDA for the approval of VTAMA for the treatment of AD, 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. We have also submitted an sNDA to the FDA for the approval of VTAMA for the treatment of AD. In order to market VTAMA or any of our other products or product candidates outside of the U.S., 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 U.S., 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 U.S., 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 U.S. 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 U.S. 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. We have also submitted an sNDA to the FDA for the approval of VTAMA for the treatment of AD. 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 U.S. 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 U.S. 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 U.S.);
- 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 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 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 IMVT-1402 where there is a medically plausible basis for IMVT-1402's use. Immunovant may also seek orphan drug designation for 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. Further, we understand that a company received a Complete Response Letter for a product seeking accelerated approval in two indications because enrollment had not yet begun for confirmatory portions of ongoing clinical trials. At this time, it is not clear what impact, if any, these developments may have on 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 U.S. and the European Economic Area (the "EEA"), may designate drugs and biologics for relatively small patient populations as orphan drugs. In the U.S., 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 U.S. 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 U.S. 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 U.S., 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 U.S. 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 or biosimilar 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, during the first eight years of the ten years market exclusivity, a marketing authorization for a significant new indication for the relevant medicinal product. In such a situation, the generic or biosimilar 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.

In April 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 2025 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.

Our commercialization efforts are dependent on our sales, marketing and distribution capabilities, including agreements with third parties to sell, market and distribute our products and product candidates.

In order to effectively market our products and product candidates, we must successfully employ our sales, distribution, marketing and related capabilities or make arrangements with third parties to perform these services. Our subsidiary Dermavant has established a 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. Other Vants with product candidates in late-stage clinical development, including Immunovant, do not currently have a sales, marketing and distribution infrastructure, and would expect to build a sales, marketing and distribution function, or make arrangements with third parties to perform these services.

There are risks involved with both establishing and maintaining internal 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. At Dermavant, the costs of maintaining this sales, marketing and distribution infrastructure may exceed the net revenues we are able to generate from the sale of VTAMA.

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 may need to obtain additional capital, which may not be available to us on acceptable terms, or at all. If we do not have sufficient funds, we 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 $13,508 to $27,018 for each false claim or statement for penalties assessed after January 30, 2023, 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, which 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 U.S. 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 U.S., there have been and continue to be a number of legislative initiatives to contain healthcare costs, including costs for pharmaceuticals. For example, as discussed in detail above, the ACA substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. In addition, other legislative changes have been proposed and adopted in the U.S. since the ACA was enacted. In particular, there has been increasing legislative and enforcement interest in the U.S. with respect to drug pricing practices. Most notably and as described in detail above, the IRA brought about sweeping changes to the payment for drugs under the Medicare program. There are several ongoing legal challenges to the IRA's drug price negotiation program, and we cannot predict the outcome of these cases or the impact they could have on implementation of the law. Over time, the IRA could increase our government discount and rebate liabilities, reduce the revenues we are able to collect from sales of our products as well as present challenges for payor negotiations and formulary access. However, the degree of impact that the IRA will ultimately have upon our business remains unclear at this time.

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

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 that, among other things, expanded the scope of drug products that may be considered "line extensions" subject to inflationary rebates under the Medicaid Drug Rebate Program. On May 23, 2023, CMS issued a Medicaid Drug Rebate Program proposed rule, which if finalized, would, among other things, require drug manufacturers to aggregate certain price concessions when calculating Best Price, establish a price verification survey, and amend the definitions of a "covered outpatient drug" and a "manufacturer." These changes, if finalized, could deepen rebates owed on Medicaid utilization, expand the scope of products subject to Medicaid rebates, and subject manufacturer drug pricing practices to further scrutiny.

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 through product revenue, 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 sustained 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 sustained 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 U.S., 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, and payors may periodically review and change their coverage and reimbursement rates for products. Discussions with payors, including PBMs, related to VTAMA are ongoing and coverage for VTAMA may change over 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 U.S. 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 U.S. 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 the UK there is also a budget cap on branded health service medicines, and a new voluntary pricing scheme has been introduced that increases the level of rebate payment that a company is required to make to the National Health Service to take account of any spend on branded products that is above the agreed cap, and also imposes different payment rates for newer or older medicines. A consultation on the parallel statutory scheme, which applies to companies that are not members of the voluntary scheme, is ongoing, but is also likely to lead to higher rebates than previously. In markets outside of the U.S., 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 U.S. for our products and, if approved, product candidates, from therapies sourced from foreign countries that have placed price controls on pharmaceutical products. In the U.S., 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. Several states have enacted laws intended to support importation processes and have submitted importation program proposals to FDA. On January 5, 2024, FDA authorized Florida's importation program for the importation of certain prescription drugs from Canada into Florida; however, the state must file Pre-Import Requests for specific drug products that FDA must grant before any importation may take place. In response, Health Canada issued a statement on January 8, 2024 making clear that it is ready to take immediate action to help safeguard the Canadian drug supply if necessary. If implemented in Florida or elsewhere, 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 other 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 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 U.S. 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), international hostilities (including the current military conflict between Russia and Ukraine and the conflict in the Middle East), 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. 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;

- VYVGART (efgartigimod alfa-fcab) and VYVGART Hytrulo (efgartigimod alfa and hyaluronidase-qvfc), neonatal Fc receptor blockers, potential competitors to IMVT-1402 and batoclimab;
- Nipocalimab and RYSTIGGO (rozanolixizumab-noli), anti-FcRn antibodies, potential competitors to IMVT-1402 and batoclimab;
- TEPEZZA (teprotumumab-trbw), an insulin-like growth factor-1 receptor inhibitor, a potential competitor to batoclimab; and
- Dazukibart, an interferon beta (IFN-beta) 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 ongoing Russia-Ukraine conflict, 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 unauthorized 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. The actual or perceived failure by us, our customers, partners or vendors to comply with such obligations could result in harm to our reputation, regulatory investigations or actions, significant fines and liability, disruption of our clinical trials or other material adverse effects to our business.

Certain of our subsidiaries and affiliates collect, receive, store, process, use, generate, transfer, disclose, make accessible, protect and share personal information and other information, including information we collect about patients and healthcare providers in connection with clinical trials in the U.S. and abroad necessary to operate their businesses and for legal, marketing and other business-related purposes.

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. Any failure by us, or our subsidiaries or affiliates, 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 and their service providers 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 (including clinical trial investigators) that are subject to those regulations, and we have to expend resources to understand their obligations, adjust contractual terms in light of those obligations, or otherwise modify our business practices. Congress is actively considering adopting legislation to regulate the collection, use, and disclosure of personal health information more broadly than the HIPAA privacy and security regulations. Such legislation might require us to make substantial expenditures and would likely create additional liability risks.

The Federal Trade Commission ("FTC") Act, while not focused on data privacy or security, has proven to be a significant federal enforcement tool with respect to protection of personal information, and recently, personal health information in particular. The FTC has used its authority under Section 5 of the FTC Act, which prohibits unfair and deceptive practices affecting consumers, to bring numerous cases against companies for failing to protect the privacy or security of personal information in a manner that is reasonable and fully consistent with stated privacy policies, notices, or other representations. Particularly because the FTC has taken these actions based on theories that are not codified in regulations, the optimal means to mitigate the risk of such an action are uncertain.

In addition, an increasing number of 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 complicates compliance efforts. For example, the California Confidentiality of Medical Information Act (the "CMIA"), a statute that expressly applies to pharmaceutical companies (as well as companies that provide certain technologies for processing personal health information), 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. Washington State's My Health My Data Act, and a similar Nevada law, both of which became effective on March 31, 2024, generally require consent for the collection and use of personal health information, and a separate consent for sharing any such information, and create additional risk for our collection of health information. Violations of the Washington State law can result in civil penalties of up to $7,500 per violation, up to $25,000 in treble damages at the sole discretion of the court, and injunctive relief. Consumers also may bring their own actions to recover (i) actual damages, (ii) treble damages; and (iii) attorney's fees. Violations of the Nevada law can result in up to $10,000 civil penalties per violation and injunctive relief.

In addition, approximately 15 states have enacted broadly applicable consumer privacy laws, which apply not only to personal health information but also many other forms of information. These laws, including the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (collectively, the "CCPA"), typically require us to provide notice to state residents regarding our collection, use, and sharing of their personal information, and give state residents the right to opt-out of the sale or sharing for targeted advertising of their personal information, as well as the right to limit our use and disclosure of their "sensitive" (including health) personal information. Some of these laws require that we obtain signed consent in order to collect, use or share any sensitive personal information. Most of these laws are enforceable only by state authorities, but the CCPA provides 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 the California Privacy Protection Agency, have authority to implement and enforce the CCPA.

New legislation anticipated to be enacted in various other states will continue to shape the data privacy environment nationally. 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 U.S., 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 U.S., 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 – the EU-U.S. Data Privacy Framework ("DPF") was since developed. In July 2023, the U.S. and EU implemented the DPF. Companies can now use this new mechanism to transfer personal data from the EU to the U.S. and potentially from Switzerland to the U.S., subject to national implementation in Switzerland. The UK Extension to the EU-U.S. Data Privacy Framework ("Data Bridge") entered into force on October 12, allowing certifying entities to transfer personal data from the UK to the U.S. At the moment, it is unclear whether the anticipated legal challenges against the DPF, which may be similar to the challenge that led to the invalidation of the Privacy Shield, would be successful.

While in July 2020 the CJEU upheld the validity of standard contractual clauses ("SCCs") as a legal mechanism to transfer personal data to jurisdictions that the European Commission has not found to provide an adequate level of protection and while the European Commission adopted new SCCs in July 2021, companies relying on SCCs must, subject to additional guidance from regulators in the EEA and the U.K., regularly evaluate and implement supplementary measures that provide privacy protections additional to those provided under SCCs. The use of the new SCCs may increase the legal risks and liabilities under EEA privacy, data protection, and information security laws. Given that, at present, there are few, if any, viable alternatives to the SCCs and the DPF, any transfers by us or our vendors of personal information from the EEA to the US may not comply with the EEA data protection laws, 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 EEA personal information outside of the EEA (including clinical trial data), and may adversely impact our operations, product development and ability to provide our products.

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 U.K. and the EU (*i.e.*, following the U.K.'s exit from the EU —otherwise known as Brexit), data processing in the U.K. is governed by a U.K. 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 U.K., on June 28, 2021 the European Commission issued an adequacy decision in respect of the U.K.'s data protection framework, enabling data transfers from EU member states to the U.K. 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. In March 2024, the British Government published the Data Protection and Digital Information (No. 2) Bill intended to create a more business-friendly regime in the UK through changes to the existing legislation. At this stage it is unclear whether and when this legislation will be adopted and whether such legislative reforms could potentially lead the European Commission not to extend or to revoke the UK adequacy decision.

If we or our third-party service providers are unable to properly protect the privacy and security of personal information, or other confidential 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 FTC, 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 U.S., 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 frequently 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 current 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, including 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 use of AI could expose us to liability or adversely affect our business.

Certain of our early-stage discovery Vants and healthcare technology businesses use machine learning and AI as part of their business. However, there are significant risks involved in utilizing AI and no assurance can be provided that our use of AI will enhance our business or operations or result in our business or operations being more efficient or profitable. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or "hallucinatory" inferences or outputs; AI can present ethical issues and may subject us to new or heightened legal, regulatory, ethical or other challenges; and inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions, including those incorporated in our businesses. If the AI solutions that we create or use are deficient, inaccurate or controversial, we could suffer from competitive harm, legal liability, brand or reputational harm, or other adverse impacts on our business and financial results. If we do not have sufficient rights to use the data or other material or content on which our AI solutions or other AI tools we use rely, we also may incur liability through the violation of applicable laws, third-party intellectual property, privacy or other rights, or contracts to which we are a party.

In addition, regulation of AI is rapidly evolving worldwide as legislators and regulators are increasingly focused on these powerful emerging technologies. The technologies underlying AI and its uses are subject to a variety of laws, including intellectual property, privacy, data protection and cybersecurity, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws. AI is the subject of ongoing review by various U.S. governmental and regulatory agencies, and various U.S. states and other foreign jurisdictions are applying, or are considering applying, their platform moderation, cybersecurity, and data protection laws to AI or are considering general legal frameworks for AI, such as the AI Act currently being considered in the EU. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI.

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 U.S. 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 U.S. 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 U.S. 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 U.S. or in other countries. Our pending PCT patent applications 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 claims 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 U.S. may not protect our rights to the same extent as the laws of the U.S., 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 U.S. 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 U.S. 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 U.S. and other countries may diminish the value of our patents or narrow the scope of our patent protection.

Patent reform legislation in the U.S., 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 ("IPR"), and derivation proceedings. After March 15, 2013, under the Leahy-Smith Act, the U.S. 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 U.S. 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, IPR, 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, on April 23, 2024, a petition for an IPR was filed with the Patent Trial and Appeal Board ("PTAB") by Encube Ethicals Pvt. Ltd., alleging that certain claims of U.S. Patent No. 11,590,088 (the "'088 Patent"), relating to VTAMA (tapinarof) cream 1%, are invalid. The '088 Patent expires in 2039. The PTAB is not expected to decide whether to institute the IPR until approximately six months from the petition filing date. In February 2023, Sandoz Group AG filed an opposition challenging Dermavant's European Patent Number 3297605 which covers topical formulations of tapinarof. The opposition is ongoing and should be decided in the fourth quarter of calendar year 2024.

In addition, certain U.S. patents 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 previously been the subject of IPR proceedings brought by Moderna Therapeutics, Inc. ("Moderna") before the PTAB, whose decisions were subsequently reviewed by the U.S. Court of Appeals for the Federal Circuit (the "Federal Circuit"). As previously disclosed, the Federal Circuit ultimately affirmed the PTAB's decisions upholding certain claims under those patents and invalidating others. 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 in 2018 by Merck Sharp & Dohme Corporation and Moderna at the European Patent Office (the "EPO") Opposition Division. In 2019, the EPO Opposition Division upheld claims as amended by an auxiliary request submitted by the patent owner. Merck and Moderna appealed and, in 2023, the Boards of Appeal of the EPO set aside the EPO Opposition Division decision and remitted the case to the EPO Opposition Division for further prosecution. In March 2024, the EPO Opposition Division issued a preliminary opinion. Oral proceedings are scheduled for June 2024, and the case is pending. 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 U.S., 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 U.S., 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 U.S. or any other jurisdiction with respect to VTAMA. Instead, we rely on four issued U.S. patents claiming topical formulations of VTAMA, including the commercial formulation which was studied in Phase 3 trials and approved by the FDA, and two issued U.S. patents 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, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees. We additionally rely on three drug substance ("DS") patents 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, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fees. We also have a patent covering the use of VTAMA to treat psoriasis wherein patients achieve the Phase 3 clinical endpoints. This method of treatment patent is expected to expire in 2040 (including a potential patent term extension for pediatric exclusivity).

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 U.S. 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 U.S. 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 U.S., 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 IMVT-1402 or file or enforce patents relating to these assets in territories other than the U.S., 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 U.S., involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, derivation and administrative law proceedings, IPR 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 U.S. 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 U.S. 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 U.S. 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 U.S. 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 U.S. Government, the court reaffirmed its prior decision and again ruled that the complaint should not be partially dismissed on the basis of § 1498. On February 8, 2024, the court held a Claim Construction hearing on disputed terms within the claims of the asserted patents. On April 3, 2024, the court provided its Claim Construction ruling, in which it construed the disputed claim terms and agreed with Genevant GmbH and Arbutus' position on most of the disputed claim terms. Fact discovery is on-going and next steps include expert reports and depositions. In August 2024, the parties requested an amended case schedule in the Moderna Action to accommodate certain outstanding discovery requests. If the court approves the request, the trial will begin in September 2025. 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"). On July 10, 2023, Pfizer and BioNTech filed an answer. The Pfizer Action is ongoing and a date for a claim construction hearing has not been set.

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 Pfizer 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 U.S., 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, IPR or post-grant review, or oppositions or similar proceedings outside the U.S., 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 U.S. 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 Pfizer 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 U.S. 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 U.S. or USPTO rules and regulations could increase the uncertainties and costs.

The U.S. 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, in June 2022, the World Trade Organization members agreed to waive certain 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 U.S. 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 U.S. 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 U.S. 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, 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 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 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 patents or successfully designing around the patents. Any successful challenge against the 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 patents. If the 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 U.S. can be less extensive than those in the U.S. 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 U.S.

Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the U.S., or from selling or importing product candidates made using our inventions in and into the U.S. 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 U.S. 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 U.S. 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 U.S. 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 and the Pfizer 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 U.S. 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, IPR, 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 U.S. 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.

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 are expected to increase now that 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. We also expect that compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and increased disclosure requirements will substantially increase our legal and financial compliance costs. 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.

If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common shares may decline.

Pursuant to Section 404 of the Sarbanes-Oxley Act, our management is required to report upon the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and costly. If we or our auditors are unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in our financial reporting and the trading price of our common shares may decline.

Although we have determined that our internal control over financial reporting was effective as of March 31, 2024, we cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could adversely impact our ability to accurately and timely report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common shares could decline and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

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 may need additional capital in the future to continue our 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 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 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. Shares held by certain of our large shareholders 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). 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 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 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. 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 were not classified as a CFC for the taxable year ended March 31, 2024. However, our non-U.S. subsidiaries will be classified as CFCs for the taxable year ended March 31, 2024. 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 year that ended on March 31, 2024, 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.

Based on the foregoing, with respect to the taxable year that ended on March 31, 2024, we believe that we were not a PFIC based in part 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 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2024, the officer listed below adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

On June 25, 2024, Eric Venker, our President, Chief Operating Officer, entered into a trading plan that provides for the sale of up to 2,381,883 common shares underlying stock options to purchase common shares. The plan will expire on September 23, 2025, subject to early termination for certain specified events set forth in the plan.

Item 6. Exhibits.

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
10.40*#	First Amendment to 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 24, 2024	—	—	—	Filed herewith
10.41*#	Second Amendment to Funding Agreement, dated as of July 10, 2018, by and between Dermavant Sciences GmbH and NovaQuest Co-Investment Fund VIII, L.P., dated as of May 24, 2024	—	—	—	Filed herewith
10.42*#	First Amendment to 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 24, 2024	—	—	—	Filed herewith
10.43#^	Employment Agreement between Roivant Sciences, Inc. and Richard Pulik, dated as of August 31, 2021	—	—	—	Filed herewith
10.44^	Employment Agreement between Roivant Sciences, Inc. and Rakhi Kumar, dated as of June 5, 2023	—	—	—	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 (formatted as Inline XBRL and contained in Exhibit 101)	—	—	—	Filed herewith

* Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted exhibits and schedules upon request by the SEC; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any exhibits or schedules so furnished.

Portions of this exhibit have been omitted because they are both (i) not material and (ii) would likely cause competitive harm to the Company if publicly disclosed.

^ Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K pursuant to Item 15(b).

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 Quarterly Report on Form 10-Q 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.

SIGNATURES

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

Dated: August 9, 2024

ROIVANT SCIENCES LTD.

By: /s/ Matthew Gline
Name: Matthew Gline
Title: Principal Executive Officer

By: /s/ Richard Pulik
Name: Richard Pulik
Title: Principal Financial Officer

By: /s/ Matt Maisak
Name: Matt Maisak
Title: Authorized Signatory

Exhibit 10.40

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE ROIVANT SCIENCES LTD. (THE "COMPANY") HAS DETERMINED THAT THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

EXECUTION VERSION

FIRST AMENDMENT TO CREDIT AGREEMENT

This First Amendment to Credit Agreement (this "Amendment") is made as of May 24, 2024, by and among DERMAVANT SCIENCES LTD., an exempted company incorporated under the laws of Bermuda ("Parent" or the "Bermuda Borrower"), DERMAVANT SCIENCES IRL LIMITED, a private company limited by shares incorporated under the laws of Ireland with a registered office address at Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, Ireland (the "Irish Borrower"), DERMAVANT HOLDINGS LIMITED, a private limited company incorporated under the laws of England and Wales (the "English Borrower"), DERMAVANT SCIENCES GMBH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated and organized under the laws of Switzerland (the "Swiss Borrower" and, together with the Bermuda Borrower, the Irish Borrower and the English Borrower, the "Borrowers"), each subsidiary of Parent listed as a guarantor on the signature pages hereof (the "Guarantors" and, together with the Borrowers, the "Loan Parties"), XYQ LUXCO S.À R.L. (the "Lender") and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor in interest to U.S. Bank National Association in its capacity as collateral agent (the "Collateral Agent").

WHEREAS, the Loan Parties, the Lender and the Collateral Agent previously entered into that certain Credit Agreement, dated as of May 14, 2021 (including the exhibits and other attachments thereto, the "Existing Credit Agreement", and as amended by this Amendment, the "Credit Agreement");

WHEREAS, the Loan Parties and the Lender have agreed to make certain modifications to the terms of the Existing Credit Agreement as set forth in this Amendment;

WHEREAS, concurrently with the execution of this Amendment, the Swiss Borrower is entering into (i) that certain Second Amendment to the NovaQuest Funding Agreement, dated as of the date hereof, by and between the Swiss Borrower and NovaQuest (as defined in the Existing Credit Agreement) (such amendment, the "Amendment to NovaQuest Funding Agreement") and (ii) that certain First Amendment to Revenue Interest Purchase and Sale Agreement, dated as of the date hereof, by and among the Swiss Borrower, the purchasers party to the RIPSA (as defined in the Existing Credit Agreement) and the RIPSA Collateral Agent (as defined in the Existing Credit Agreement) (such amendment, the "Amendment to RIPSA"); and

WHEREAS, as a condition precedent to the effectiveness of this Amendment, the Amendment to NovaQuest Funding Agreement and the Amendment to RIPSA, Ultimate Parent and Parent have agreed to enter into that certain Equity Commitment Letter, dated as of the date hereof (the "Equity Commitment Letter"), pursuant to which Ultimate Parent has agreed to make certain equity contributions to Parent on the date hereof and from time to time hereafter.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, each of the Loan Parties, the Collateral Agent and the Lender hereby covenants and agrees as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Existing Credit Agreement.

2. Amendments. Subject to the satisfaction of the conditions precedent specified in Section 4 hereof, on the First Amendment Effective Date, the Existing Credit Agreement shall be amended as set forth on **Exhibit A** to this Amendment.

(a) Language inserted into the applicable section of the Existing Credit Agreement is evidenced by double underline formatting in blue text (indicated textually in the same manner as the following example: double underlined text). Language deleted from the applicable section of the Existing Credit Agreement is evidenced by strike-through formatting in red text (indicated textually in the same manner as the following example: ~~stricken text~~);

(b) Except the extent specifically set forth in **Exhibit A**, the Exhibits and Schedules to the Credit Agreement are not amended or modified hereby in any respect.

It is agreed that no conforming revisions have been made to the other Loan Documents, and, to the extent that there are other revisions to the Loan Documents necessitated by this Amendment, the parties hereto agree to cooperate and make reasonable revisions to such other Loan Documents to reflect the agreements contained in this Amendment. Any references to the "Credit Agreement" in the other Loan Documents shall mean the Existing Credit Agreement as amended by this Amendment.

3. Reaffirmation of Loan Documents. Each of the Loan Parties, as a Grantor under the Security Documents, hereby (i) agrees that each of the Loan Documents is, and shall continue to be, in full force and effect and is hereby in all respects ratified and confirmed on the First Amendment Effective Date, except that, on and after the First Amendment Effective Date, each reference to "*Credit Agreement*", "*this Agreement*", "*thereunder*", "*thereof*" or words of like import shall, unless the context otherwise requires, mean and be a reference to the Existing Credit Agreement as amended by this Amendment and (ii) confirms that the Security Documents and all of the Collateral described therein do, and shall continue to, secure the payment in full and performance of all of the Secured Obligations.

4. Conditions Precedent to Effectiveness. This Amendment shall not be effective unless and until each of the following conditions precedent has been fulfilled to the satisfaction of the Collateral Agent and the Lender (the date of such fulfillment, the "First Amendment Effective Date"):

(a) This Amendment shall have been duly executed and delivered by the Loan Parties, the Collateral Agent and the Lender;

(b) The Lender and Collateral Agent shall have received true, correct and complete fully-executed copies of (i) the Amendment to NovaQuest Funding Agreement, (ii) the Amendment to RIPSA and (iii) the Equity Commitment Letter, in each case, in form and substance satisfactory to the Lender;

(c) [reserved];

(d) The representations and warranties in Section 5 of this Amendment, Article V of the Credit Agreement and elsewhere in the Loan Documents shall be true, correct and complete in all material respects (unless such representations are already qualified by reference to materiality, Material Adverse Effect or similar language, in which case such representations and warranties shall be true and correct in all respects) on and as of the First Amendment Effective Date with the same effect as though made on and as of such date, except to the extent such representations expressly relate to an earlier date;

(e) As of the First Amendment Effective Date and after giving effect to this Amendment, no Default shall have occurred and be continuing;

(f) The Lender and Collateral Agent shall have received the following:

(i) an opinion of Sullivan & Cromwell LLP, counsel to the Loan Parties, as to matters related to U.S. law and, solely with respect to capacity of the English Borrower, English law;

(ii) an opinion of VISCHER AG, Swiss counsel to the Loan Parties, as to such matters as the Lender may reasonably request;

(iii) an opinion of Conyers Dill & Pearman Limited, Bermuda counsel to the Loan Parties, as to such matters as the Lender may reasonably request;

(iv) a capacity opinion of A&L Goodbody, Irish counsel to the Loan Parties, as to such matters as the Lender may reasonably request;

(v) an enforceability opinion of TLT LLP, outside English counsel to the Lender;

(vi) an enforceability opinion of Matheson, outside Irish counsel to the Lender;

(vii) a copy of the resolutions of each Loan Party, certified as of the First Amendment Effective Date by an Officer thereof, authorizing the execution, delivery and performance by such Loan Party of the Amendment and the execution and delivery of the other documents to be delivered by such Person in connection herewith;

(viii) a certificate of the appropriate official(s) of the jurisdiction of organization of each Loan Party (other than the English Borrower and the Irish Borrower), certifying as of a recent date not more than 30 days prior to the First Amendment Effective Date as to the subsistence in good standing or qualification of such Loan Party in such jurisdictions;

(ix) a copy of the Governing Documents of each Loan Party, together with all amendments thereto, certified as of the First Amendment Effective Date by an Officer of such Loan Party;

(x) certificates of an Officer of each Borrower, dated the First Amendment Effective Date and certifying the names and true signatures of the persons that are authorized to execute and deliver this Amendment on behalf of such Borrower;

(xi) the results of searches for any effective financing statements, records of assignment for patents, trademarks or copyrights, tax Liens, judgment Liens, bankruptcy filings or other court proceedings, as the Lender shall have reasonably requested, filed against or naming any Loan Party or its property, which results shall not show any such Liens (other than Permitted Liens acceptable to the Lender) or bankruptcy filings or other court proceedings (other than court proceedings acceptable to Lender);

(xii) an Irish-law governed Deed of Confirmation dated the First Amendment Effective Date among the Irish Borrower, the English Borrower and the Collateral Agent (the "Irish Deed of Confirmation"); and

(xiii) an English-law governed Confirmation of Security Agreement dated the First Amendment Effective Date among the English Borrower, the Parent and the Collateral Agent (the "English Deed of Confirmation").

5. [***]

6. Representations and Warranties. Each of the Loan Parties hereby represents and warrants:

(a) The execution, delivery and performance by the Loan Parties of this Amendment and the Loan Parties' consummation of the transactions contemplated by this Amendment and the Credit Agreement and performance under this Amendment and the Credit Agreement do not and will not (i) conflict with any of its organizational, constitutional or constituent documents; (ii) contravene, conflict with, constitute a default under or violate any Law except as would not reasonably be expected to have a Material Adverse Effect; (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which it or any of its property or assets may be bound or affected except as would not reasonably be expected to have a Material Adverse Effect; (iv) require any action by, filing, registration, or qualification

with, or approval of, any Governmental Authority (except such approval which has already been obtained and is in full force and effect, or the filing of any UCC financing statement) except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; or (v) constitute a default under or conflict with any Material Contract that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(b) This Amendment has been duly authorized, executed and delivered by the Loan Parties and this Amendment and the Credit Agreement constitute legal, valid and binding agreements of the Loan Parties, enforceable in accordance with their terms (subject to general equitable principles, insolvency, liquidation, reorganization and other Laws of general application relating to creditors' rights and, in the case of each Irish Loan Party, to the Legal Reservations).

(c) The security interests granted by each Loan Party in favor of the Collateral Agent in the Collateral remain perfected, subject only to Permitted Liens.

7. [***]

(a) [***]

(b) [***]

8. Miscellaneous.

(a) Except as otherwise expressly provided herein, (i) all provisions of the Credit Agreement and the other Loan Documents remain in full force and effect and (ii) the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Collateral Agent or the Lender, nor constitute a waiver of any provision of the Existing Credit Agreement or any of the Loan Documents. The execution and delivery of this Amendment is not intended to, and shall not, constitute a novation of any Loan Document. Neither of the Collateral Agent or the Lender is under any obligation to enter into this Amendment. The entering into of this Amendment by such parties shall not be deemed to limit or hinder any rights of any such party under the Loan Documents, nor shall it be deemed to create or infer a course of dealing between any such party, on the one hand, and the Loan Parties, on the other hand, with regard to any provision of the Loan Documents.

(b) This Amendment shall constitute a Loan Document.

(c) This Amendment may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. An executed facsimile or electronic copy of this Amendment shall be effective for all purposes as an original hereof. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby (including without limitation assignments, assumptions, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Collateral Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to

the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(d) This Amendment expresses the entire understanding of the parties with respect to the amendments contemplated hereby. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.

(e) The Borrowers (solely to the extent they are required to take a position pursuant to applicable law) and the Lender shall treat the Loan after giving effect to the Amendment as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code as in existence immediately prior to the effectiveness of this Amendment.

(f) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK (WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF THAT WOULD MANDATE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION).

(g) This Amendment shall be subject to Section 1.06 (Obligation to Make Payments in Dollars) (except with respect to payments to counsel that invoice in a currency other than Dollars), Section 10.04 (Expenses; Attorneys' Fees), Section 10.06 (Severability), Section 10.10 (Consent to Jurisdiction; Service of Process and Venue), Section 10.11 (Waiver of Jury Trial), Section 10.15 (Indemnification; Limitation of Liability for Certain Damages), Section 10.27 (Judgment Currency), Section 10.28 (Waiver of Immunity), Section 10.29 (Swiss Limitations) and Section 10.30 (Irish Limitations) of the Existing Credit Agreement, *mutatis mutandis*.

(h) By its execution hereof, the Lender authorizes and directs the Collateral Agent to execute and deliver (i) this Amendment, (ii) the Irish Deed of Confirmation and (iii) the English Deed of Confirmation. In acting hereunder, the Collateral Agent shall be entitled to all of the rights, privileges and immunities of the Collateral Agent set forth in the Loan Documents.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PARENT AND BERMUDA BORROWER:

DERMAVANT SCIENCES LTD., an exempted company incorporated under the laws of Bermuda

By: _____
Name:
Title:

[*Signature Page to First Amendment to Dermavant Credit Agreement (2024)*]

ENGLISH BORROWER:

DERMAVANT HOLDINGS LIMITED, a private limited company incorporated under the laws of England and Wales

By: _____
Name:
Title:

IRISH BORROWER:

DERMAVANT SCIENCES IRL LIMITED, a private company limited by shares incorporated under the laws of Ireland

By: _____
Name:
Title:

[*Signature Page to First Amendment to Dermavant Credit Agreement (2024)*]

SWISS BORROWER:

DERMAVANT SCIENCES GMBH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated and organized under the laws of Switzerland

By: _____
Name:
Title:

GUARANTORS:

DERMAVANT SCIENCES, INC., a Delaware corporation

By: _____
Name:
Title:

DSL TREASURY HOLDINGS INC., a Delaware corporation

By: _____
Name:
Title:

DSL TREASURY INC., a Delaware corporation

By: _____
Name:
Title:

COLLATERAL AGENT:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS COLLATERAL AGENT

By:
Name:
Title:

[*Signature Page to First Amendment to Dermavant Credit Agreement (2024)*]

LENDER:

XYQ LUXCO S.À R.L.

By: _____
Name:
Title:

[*Signature Page to First Amendment to Dermavant Credit Agreement (2024)*]

EXHIBIT A

EXHIBIT A

~~Execution Version~~

CREDIT AGREEMENT

dated as of May 14, 2021

as amended by that certain First Amendment, dated as of May 24, 2024

by and among DERMAVANT SCIENCES LTD.,

as Parent and Bermuda Borrower,

DERMAVANT HOLDINGS LIMITED,
as English Borrower,

DERMAVANT SCIENCES IRL LIMITED,
as Irish Borrower,

DERMAVANT SCIENCES GMBH,
as Swiss Borrower,

EACH SUBSIDIARY OF PARENT
LISTED AS A GUARANTOR ON THE SIGNATURE PAGES HEREOF
as Initial Guarantors,

EACH SUBSIDIARY OF PARENT OTHERWISE PARTY FROM TIME TO TIME HERETO,

XYQ LUXCO S.À R.L.,
as Lender and
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Collateral Agent

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CREDIT AGREEMENT

This CREDIT AGREEMENT dated as of May 14, 2021 by and among DERMAVANT SCIENCES LTD., an exempted company incorporated under the laws of Bermuda (the "Parent" or the "Bermuda Borrower"), DERMAVANT HOLDINGS LIMITED, a private limited company incorporated under the laws of England and Wales (the "English Borrower"), DERMAVANT SCIENCES IRL LIMITED, a private company limited by shares incorporated under the laws of Ireland with a registered office address at Rocktwist House, Block 1, Western Business Park, Shannon, Co. Clare, Ireland (the "Irish Borrower") DERMAVANT SCIENCES GMBH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated and organized under the laws of Switzerland (the "Swiss Borrower"), EACH SUBSIDIARY OF THE PARENT LISTED AS A GUARANTOR ON THE SIGNATURE PAGES HEREOF (the "Initial Guarantors"), EACH OTHER SUBSIDIARY OF THE PARENT OTHERWISE PARTY FROM TIME TO TIME HERETO, as a borrower or a guarantor, XYQ LUXCO S.À R.L. (the "Lender"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in its capacity as collateral agent hereunder (the "Collateral Agent").

RECITALS

The Parent has asked the Lender for a term loan in the aggregate principal amount of $40,000,000. The Lender is willing to provide such a term loan subject to the terms and conditions hereinafter set forth.

In consideration of the premises and the covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS; CERTAIN TERMS

Section 1.01 Definitions.As used in this Agreement, the following terms shall have the respective meanings indicated below:

"10 Non-Bank Rule" means the rule that the aggregate number of Lenders under this Agreement which are not Qualifying Banks must not at any time exceed ten (10), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time.

"20 Non-Bank Rule" means the rule that the aggregate number of creditors (including the Lenders), other than Qualifying Banks, of the Borrower under all its outstanding debts relevant for classification as debenture (*Kassenobligation*) (including debt arising under this Agreement) must not at any time exceed twenty (20), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time.

"Acquisition" means the acquisition (whether by means of a merger, consolidation or otherwise) of all of the Capital Stock of any Person or all or substantially all of the assets of (or any division or business line of) any Person.

"Action" has the meaning ascribed to such term in Section 10.12.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. Other than with respect to Section 6.06, as used herein with respect to the Loan Parties, at any time following the consummation of a Qualified IPO or an Ultimate Parent Spinout, "Affiliate" shall not include the Ultimate Parent or its Affiliates (other than Affiliates controlled by the Parent or under common control with any Loan Party).

"Agreement" means this Credit Agreement, including all amendments, restatements, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to this Agreement as the same may be in effect at the time such reference becomes operative.

"Amendment to NovaQuest Funding Agreement" means that certain Second Amendment to Funding Agreement dated as of the First Amendment Effective Date among the Swiss Borrower, the Parent and NovaQuest.

"Amendment to RIPSA" means that certain First Amendment to Revenue Interest Purchase and Sale Agreement dated as of the First Amendment Effective Date among the Swiss Borrower, the Parent, the RIPSA Collateral Agent and XYQ Luxco S.à r.l., NovaQuest and MAM Tapir Lender, LLC.

"Anti-Corruption Laws" means applicable Laws relating to bribery or corruption, including the U.S. Foreign Corrupt Practices Act of 1977.

"Anti-Money Laundering Laws" means applicable Laws relating to money laundering or terrorism, including the USA PATRIOT Act of 2001, the U.S. Money Laundering Control Act of 1986, any applicable provisions of the U.S. Bank Secrecy Act of 1970 and the Executive Order.

"applicable law" means, as to any Person, all applicable Laws binding upon such Person or any of its property or to which such a Person is subject or any of its property is subject.

"Assignment and Acceptance" means an assignment and acceptance entered into by an assigning Lender and an assignee.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Law" has the meaning ascribed to such term in Article VII. "Bermuda Borrower" has the meaning ascribed to such term in the preamble

hereto.

"Board of Directors" means, as to any Person, the board of directors, board of
managers or similar governing body, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof. References in this Agreement to directors (on a Board of Directors) shall also be deemed to refer to managers (on a board of managers).

"Borrowers" means the Initial Borrowers, on a joint and several basis.

"Business Day" means a day other than a Saturday, Sunday or other day on which banking institutions are generally closed or are required by law to close in New York City or London, England.

"Capital Stock" means:

(1) in the case of a corporation or company, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) and membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person;

in each case to the extent treated as equity in accordance with GAAP.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be

required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"Cash Equivalents" means:

(1) Dollars, pounds sterling, Swiss francs, euros or the national currency of any member state in the European Union;

(2) securities issued or directly and fully guaranteed or insured by the U.S. government, the United Kingdom, Switzerland or any country that is a member of the European Union or any agency or instrumentality thereof, in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $250,000,000 and whose long-term debt is rated "A" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another nationally recognized statistical rating organization);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a Person (other than an Affiliate of the Parent) rated at least "A-1" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another nationally recognized statistical rating organization), and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P (or reasonably equivalent ratings of another nationally recognized statistical rating organization), in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than an Affiliate of the Parent) with a rating of "A" or higher from S&P or "A-2" or higher from Moody's (or reasonably equivalent ratings of another nationally recognized statistical rating organization), in each case with maturities not exceeding two years from the date of acquisition;

(8) investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above; and

(9) other Investments described in Parent's investment policy as approved by Lender in writing (it being understood that the investment policy provided to Lender prior to the Effective Date shall be deemed approved in writing) and the board from time to time.

"CERCLA" means the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Certificate of Designations" has the meaning ascribed to such term in Section 6.02(a)(xix).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, regulations, guidelines, interpretations or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued, promulgated or implemented.

"Change of Control" means each occurrence of any of the following:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Parent and its Subsidiaries, taken as a whole;

(2) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of any Borrower or Guarantor or of all or substantially all the Product Assets;

(3) the Parent ceasing to beneficially own, directly or indirectly, including through one or more intermediaries, at least [***] of the total economic and voting power of the issued and outstanding Voting Stock of any other Loan Party;

(4) at any time prior to the consummation of a Qualified IPO or an Ultimate Parent Spinout, the Ultimate Parent ceasing to beneficially own, directly or indirectly, including through one or more intermediaries, at least [***] of the total voting power of the issued and outstanding Voting Stock of the Parent; or

(5) at any time following the consummation of a Qualified IPO or an Ultimate Parent Spinout, the Parent (or applicable Successor Company) becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition of the beneficial ownership by any "person" or "group" (as such terms are used within Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act or any successor provision), but excluding Ultimate Parent and its Affiliates, in a single transaction or in a related series of transactions, by way of merger, amalgamation, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3

under the Exchange Act, or any successor provision), of (i) [***] or more of the total voting power of the issued and outstanding Voting Stock of the Parent (or applicable Successor Company) and (ii) greater total voting power of the issued and outstanding Voting Stock of the Parent (or applicable Successor Company) than that of Ultimate Parent~~; provided that, for~~.

For the purposes of determining beneficial ownership ~~in this subclause (5)~~above, a beneficial owner shall have the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

"Collateral" means all property subject from time to time, to a Lien under any Security Document. The Collateral does not include the Excluded Assets.

"Collateral Agent" has the meaning ascribed to such term in the preamble hereto.

"Collateral Agreement" means the Collateral Agreement, dated as of the ~~date hereof~~Effective Date, among the Initial Borrowers, the Initial Guarantors and the Collateral Agent.

"Commercialization", "Commercialize" or "Commercializing" means any and all activities directed to marketing, promoting, making, manufacturing, distributing, importing, exporting, offering to sell or selling the Product, including manufacturing and activities directed to obtaining any pricing and reimbursement approvals that must be obtained from a Regulatory Authority before placing the Product on the market for sale.

"Commercially Reasonable Efforts" means [***].

"Commitment" means the commitment of the Lender to make the Loan to the Borrowers in the amount set forth in Schedule A to the Disclosure Letter; provided that such commitment to make the Loan shall not be effective prior to the Effective Date as provided in Section 4.01.

"Competing Product" means [***].

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Interest Expense" means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Subsidiaries that are Loan Parties for such period, to the extent such expense was deducted in computing Consolidated Net Income (including amortization of original issue discount, the interest component of Capitalized Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations, amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, non-cash interest expense, all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances and expensing of any bridge, commitment or other financing fees); plus

(2) consolidated capitalized interest of such Person and its Subsidiaries that are Loan Parties for such period, whether paid or accrued; minus

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by the Parent to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries (other than Immaterial Subsidiaries) for such period, on a consolidated basis; provided, however, that:

(1) any net after-tax extraordinary, non-recurring, unusual or one-time gains or losses, expenses, charges, costs or other similar items shall be excluded;

(2) effects of purchase accounting adjustments (including the effects of such adjustments pushed down to such Person and such Subsidiaries) in amounts required or permitted by GAAP, resulting from the application of purchase accounting in relation to any consummated acquisition or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded;

(3) the Consolidated Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from Disposed, abandoned, transferred, closed or discontinued operations and any net after-tax gains or losses on Disposal of Disposed, abandoned, transferred, closed or discontinued operations, and in each case all costs and expenses incurred in connection therewith that are reasonably identifiable and factually supportable, shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business Dispositions or asset Dispositions other than in the ordinary course of business, and all costs and expenses incurred in connection therewith that are reasonably identifiable and factually supportable, shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness, and any unrealized gains and losses relating to Hedging Obligations or other derivative instruments, shall be excluded;

(7) the Consolidated Net Income for such period of any Person that is not a Subsidiary of such Person, or is an Immaterial Subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Subsidiary (other than an Immaterial Subsidiary) thereof in respect of such period;

(8) any impairment charges or asset write-offs, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(9) accruals and reserves that are established or adjusted within 18 months after the Effective Date and that are so required to be established or adjusted in accordance with GAAP or as a result of adoption or modification of accounting policies shall be excluded;

(10) any currency translation gains and losses related to currency remeasurements of Indebtedness, and any net loss or gain resulting from Hedging Obligations, shall be excluded;

(11) solely for the purposes of calculating Restricted Payments, if positive, any permanent difference (but excluding, for the avoidance of doubt, any temporary difference the Parent reasonably expects to be paid in cash in any future tax period) of (A) the Consolidated Taxes of the Parent calculated in accordance with GAAP over (B) the actual Consolidated Taxes paid in cash by the Parent during such period shall be excluded;

(12) any non-cash after-tax interest expense resulting from the application of Accounting Standards Codification Topic 470-20 “Debt — Debt With Conversion and Other Options” shall be excluded;

(13) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable carrier in writing and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within

365 days), such loss or expense amounts as are so reimbursed, or reimbursable, by insurance providers in respect of liability or casualty events or business interruption shall be excluded;

(14) to the extent covered by fees, costs, expenses and losses that are, or (without duplication) are required to be, covered by contractual indemnities, guarantee obligations, purchase price adjustments, insurance policies or other contractual reimbursement obligations of third parties, to the extent actually indemnified or reimbursed or with respect to which the Parent has determined that a reasonable basis exists for indemnification or reimbursement, but only to the extent that such amount is actually indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future period of any amount so added back to the extent not so indemnified or reimbursed within such 365 days), shall be excluded; and

(15) fees and expenses in connection with the negotiation and structuring of the facilities under the Loan Documents and the RIPSA and any amendments related thereto and any fees and expenses in connection with any Qualified IPO, Ultimate Parent Spinout, a Cross-Over Financing or Permitted Acquisition, shall be excluded.

"Consolidated Non-cash Charges" means, with respect to any Person for any period, the aggregate depreciation, amortization and other non-cash expenses of such Person and its Subsidiaries (other than Immaterial Subsidiaries) reducing Consolidated Net Income of such Person for such period on a consolidated basis, but excluding any such charge that consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period.

"Consolidated Taxes" means, with respect to any Person for any period, the provision for taxes for such Person and its Subsidiaries (other than Immaterial Subsidiaries) based on income, profits or capital, including state, franchise, property and similar taxes and foreign withholding taxes (including penalties and interest related to such taxes or arising from tax examinations).

"Contingent Extra Premium Amount" means, with respect to the Loan (or any portion thereof), as of any date of determination, (a) one hundred percent (100%) *times* (b) the amount, if any, of the present value at such date of all required interest payments due on the principal amount of such Loan (or portion) through the ~~second~~fourth anniversary of the Effective Date, computed using a discount rate equal to the Treasury Rate in respect of such date plus 100 basis points; provided, however, that if the applicable prepayment is occurring in respect of a mandatory prepayment pursuant to Section 2.05(c) or an optional prepayment pursuant to Section 2.05(a) within ten (10) Business Days following a Change of Control, the Contingent Extra Premium Amount shall be deemed to be zero.

"Control Agreement" means each account control agreement, account pledge, charge over accounts or similar agreement, which, in each case, is in form and substance reasonably satisfactory to the Lender and the Collateral Agent (it being agreed that any agreement that shall require the Collateral Agent to indemnify any institution in its individual capacity shall not be reasonably acceptable to the Collateral Agent). For the avoidance of doubt,

it is agreed that other than the Irish Debenture no Control Agreements are required in respect of accounts of the Irish Borrower located in Ireland.

"Convertible Debt Securities" means debt securities, the terms of which provide for conversion into, or exchange for, Equity Interests (other than Disqualified Stock) of the Parent, cash (in an amount determined by reference to the price of such Equity Interests) or a combination of Equity Interests (other than Disqualified Stock) and/or cash (in an amount determined by reference to the price of such Equity Interests).

"Cover" means that the use, manufacture, sale, offer for sale, development, commercialization or importation of the subject matter in question by an unlicensed Person would infringe a claim of a Patent.

"Cross-Over Financing" means a private placement of the Parent's Capital Stock to institutional accredited investors, qualified institutional buyers or similar investors.

"Cumulative Credit" means the sum of (without duplication):

(1) [***] of the Parent's EBITDA for the period (taken as one accounting period, the "Reference Period") from April 1, 2021 to the end of the Parent's most recently ended fiscal quarter for which financial statements have been delivered to the Lender pursuant to Section 6.01(a) (or, in the case such EBITDA for such Reference Period is a deficit, minus 100% of such deficit); plus

(2) 100% of the aggregate cash proceeds received by the Parent after the Effective Date from the issue or sale of Equity Interests of the Parent (other than Disqualified Stock) or Convertible Debt Securities, including Equity Interests issued upon conversion of Indebtedness or upon exercise of warrants or options (other than an issuance or sale to a Subsidiary of the Parent or to an employee stock ownership plan or trust established by the Parent or any of its Subsidiaries); plus

(3) 100% of the aggregate amount of contributions to the capital of the Parent received in cash after the Effective Date; minus

(4) the aggregate amount used to make all Permitted Investments pursuant to clause (24) of the definition thereof; minus

(5) the aggregate amount used to make all Restricted Payments pursuant to Section 6.03(b)(i), (iv) or (vi); minus

(6) the aggregate amount of all payments or distributions in respect of Disqualified Stock after the Effective Date.

"Debtor Relief Law" means any Bankruptcy Law and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief law (including any proceeding under applicable corporate law seeking a compromise or arrangement of any debts of the

corporation or a stay of proceedings to enforce any of the claims of the corporation's creditors against it) of the United States or other applicable jurisdiction from time to time in effect.

"Default" means any event that is, or after notice or passage of time, or both, would constitute, an Event of Default.

"Development" means engaging in manufacturing, preclinical, clinical or other research and development activities directed towards obtaining Marketing Authorization for the Product.

"Disclosure Letter" means the Confidential Disclosure Letter, dated as of the Effective Date, delivered by Parent to the Lender.

"Disposition" or "Dispose" means, directly or indirectly, the sale, assignment, conveyance, transfer, license or other disposition (whether in a single transaction or a series of related transactions) (including by way of a Sale and Leaseback Transaction) of property by any Person.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale; provided that the relevant change of control or asset sale also requires prepayment in full of the Obligations);

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock in another form of such Person; or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than as a result of a change of control or asset sale; provided that the relevant change of control or asset sale also requires prepayment in full of the Obligations),

in each case prior to 91 days after the earlier of the Scheduled Maturity Date and the date the Loan is no longer outstanding; provided, however, that only the portion of Capital Stock that so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; provided, further, however, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Parent or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Parent in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; provided, further, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock; provided further, however, that Disqualified Stock shall exclude Permitted Equity Derivatives.

"Dollar," "Dollars" and the symbol "$" each means lawful money of the United States of America in the form of United States Dollars.

"EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication, to the extent the same was deducted (or otherwise not included) in calculating Consolidated Net Income:

(1) Consolidated Taxes; plus

(2) Consolidated Interest Expense plus all cash dividend payments (excluding items eliminated in consolidation) on a series of Preferred Stock or Disqualified Stock of such Person and its Subsidiaries that are Loan Parties; plus

(3) Consolidated Non-cash Charges, to the extent such charges were deducted in the calculation of Consolidated Net Income; plus

(4) Consolidated Net Income attributable to, or adding to the losses attributable to, the minority equity interests of third parties in any Subsidiary that is a Loan Party and not a wholly-owned Subsidiary of such Person, except to the extent of dividends declared or paid with respect to such period or any prior period on the shares of Capital Stock of such Subsidiary held by such third parties;

less, without duplication,

(5) non-cash items increasing Consolidated Net Income for such period (excluding the recognition of deferred revenue or any items that represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced EBITDA in any prior period and any items for which cash was received in a prior period).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" has the meaning ascribed to such term in Section 4.01.

"English Borrower" has the meaning ascribed to such term in the preamble hereto.

"English Law Security Documents" means the following documents, each in form and substance reasonably satisfactory to the Lender: (a) that certain English-law Debenture dated as of the ~~date hereof~~Effective Date between the English Borrower and the Collateral Agent, (b) that certain English-law Share Charge dated as of the ~~date hereof~~Effective Date between the Parent and the Collateral Agent, and (c) such other documents incidental to the foregoing as the Lender may reasonably determine necessary.

"Environmental Actions" means any action, complaint, summons, citation, notice, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, consent decree or settlement from any Person or Governmental Authority involving violations of any Environmental Law or any Release of Hazardous Materials in violation of Environmental Laws (a) from any assets, properties or businesses owned or operated by any Loan Party or any of its Subsidiaries; or (b) onto any facilities which received Hazardous Materials generated, transported, treated, stored, used or disposed of by any Loan Party or any of its Subsidiaries.

"Environmental Claim" means any claim, notice, demand, order, action, suit, proceeding or other communication alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damage to natural resources, personal injury, property damage, fine, penalty or other cost resulting from, related to or arising out of (a) the presence, Release or threatened Release in or into the environment of Hazardous Materials at any location or (b) any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Materials or alleged injury or threat of injury to health, safety or the environment.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to Hazardous Materials.

"Environmental Liabilities and Costs" means all liabilities, monetary obligations, Remedial Actions, losses, damages, natural resource damages, punitive damages, consequential damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants and costs of investigations and feasibility studies), fines, penalties, sanctions and interest (i) incurred as a result of any Environmental Action or in connection with any adverse environmental condition at, on, under or migrating from or to any assets, facilities or properties owned or operated by any Loan Party or any of its Subsidiaries or any of their respective predecessors in interest or any Release of Hazardous Materials resulting from the ownership, lease, sublease or other occupation of property or the operation of any Loan Party or any of its Subsidiaries or any of their respective predecessors in interest, or (ii) consisting of or relating to clean-up costs or corrective action required of any Loan Party or any of its Subsidiaries under any Environmental Law, including any investigation, clean-up, removal, containment, monitoring or other remediation or response required of any Loan Party or any of its Subsidiaries or any of their respective predecessors in interest by Environmental Laws

(whether or not such has been required or requested by any Governmental Authority or any other Person).

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity Commitment Letter" means the Equity Commitment Letter, dated as of May 24, 2024, between the Ultimate Parent and the Parent, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time in accordance with the terms hereof and thereof.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any Convertible Debt Securities prior to conversion or exchange).

Sponsor.

"Equity Financing" has the meaning ascribed to such term in Section 6.32(a).

"Equity Investors" means any Sponsor and members of management of such

"Equity Milestone" means a Qualified IPO, Ultimate Parent Spinout or a Cross-Over Financing that, in any case, results in a fully-diluted post-money valuation of the Parent in excess of [***].

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that together with any Loan Party is treated as a single employer under Section 414 of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means any of the events set forth in Section 7.01.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Excluded Assets" means, subject to Section 6.09: (1) any agreement, contract or instrument if and only for so long as and to the extent that the grant of a security interest therein under the Security Documents would result in a breach or default thereunder or abandonment, invalidation or unenforceability thereof (except to the extent the relevant term that would result in such breach, default, abandonment, invalidation or unenforceability (x) is rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or equivalent statutes of any jurisdiction) or any other applicable law or (y) is waivable by any Affiliate of any Loan Party), (2) (a) any fee or freehold interest in real property if the greater of the cost and the book value of such interest is less than $750,000 individually, or (b) any

leasehold interest in real property if the annual base rent is less than $1,500,000, (3) any asset or property to the extent that the grant of a security interest in such asset or property is prohibited by any applicable law or requires a consent not obtained of any Governmental Authority pursuant to applicable law (except to the extent the law prohibiting such grant or requiring such consent is rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or equivalent statutes of any jurisdiction) or any other applicable law), (4) any assets or property as to which the Lender, acting at the written request of the applicable Loan Party to consider such assets or property as "Excluded Assets" as contemplated in this clause (4), reasonably determines in good faith that the costs of obtaining such a security interest or Lien are excessive in relation to the value of the security to be afforded thereby, (5) any payroll accounts, payroll withholding tax accounts, pension and pension reserve accounts and employee benefit accounts to the extent funded or maintained in an amount not greater than the amount required by applicable law or to comply with prudent business practice, (6) any motor vehicles subject to certificates of title, except to the extent a security interest therein can be perfected by the filing of a Uniform Commercial Code financing statement, (7) any trademark or service mark applications filed in the United States Patent and Trademark Office on the basis of the intent of the applicable Loan Party to use such trademark or service mark, unless and until evidence of use of such mark acceptable to the United States Patent and Trademark Office has been filed with the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C., et seq.), to the extent that granting a security interest in such application prior to such filing would adversely affect the validity or enforceability of such trademark application, (8) any vehicle that is (a) subject to a certificate of title and (b) obtained and used in the ordinary course of business,(9) the Revenue Interests, (10) any deposit accounts subject to a Permitted Lien of the type described in clauses (1), (4), (9), (24), (29), (31) and (32) of the definition thereof and (11) interests in joint ventures that constitute Permitted Investments pursuant to customary restrictions and conditions contained in agreements governing such joint ventures in the ordinary course of business, provided that the applicable Loan Party has exercised its good faith best efforts to not agree to such contractual limitations and shall have pledged its interests in such joint venture. Notwithstanding the foregoing, assets or properties of the type described in clauses (1), (2), (4), (6) and (8) of this definition shall not constitute Excluded Assets, and such assets or property shall be included in the Collateral, to the extent such assets or properties constitute any Product Asset (or portion thereof) owned by any Loan Party and pledged or required to be pledged to the RIPSA Collateral Agent to secure obligations under the RIPSA. For the avoidance of doubt, Excluded Assets shall not include cash, accounts, payment intangibles, chattel paper, financial assets, claims (including insurance claims), awards, judgments, insurance proceeds or other revenues, proceeds or income, in each case, arising out of, derived from or relating to any Excluded Asset, including in connection with any Disposition of any Excluded Asset.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) Taxes attributable to such Recipient's failure to comply with Section 2.07(e), (c) any withholding Taxes imposed under FATCA, (d) Swiss Withholding Tax

imposed as a result of a Lender (x) making an incorrect declaration of its status as to whether or not it is a Qualifying Bank or has ceased to be a Qualifying Bank other than as a result of any Change in Law after the date it became a Lender under this Agreement or (y) failing to comply with its obligations under Section 10.07(b), (e) any UK Withholding Tax imposed on amounts payable to or for the account of a Lender (or an assignee (including any participant) of a Lender) with respect to an applicable interest in a Loan to the extent such Lender (or assignee) was not (subject to the completion of any relevant procedural formalities) entitled to a full exemption from UK Withholding Tax with respect to the relevant payment on the Effective Date (or in the case of an assignee, the date the assignee became a Lender in accordance with Section 10.07) or after that date is not so entitled, other than as a result of a Change in Law or change in (or in the interpretation, administration, or application of) any published practice or published concession of any relevant taxing authority) and (f) any Irish Withholding Tax (i) imposed by reason of a Lender not being, or ceasing to be, an Irish Treaty Lender or an Irish Non-Treaty Lender in respect of that payment, unless that Lender has ceased to be such in respect of that payment as a result of a Change in Law or (ii) if the relevant Lender is an Irish Treaty Lender, the applicable Borrower is able to demonstrate that payment could have been made to that Lender without any Irish Withholding Tax had that Lender complied with its obligations under Section 2.07(e)(i).

"Executive Order" means Executive Order No. 13,224 of September 23, 2001, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, 66 U.S. Fed. Reg. 49079 (2001), as amended.

"Exit Fee" means, (a) with respect to a principal amount of the Loan that is prepaid, repaid, paid, applied or reduced before any Equity Milestone, an amount equal to (i) five million Dollars ($5,000,000) *multiplied by* (ii) the percentage of the principal amount of the Loan being prepaid, repaid, paid, applied or reduced (as compared to the original principal amount of forty million Dollars ($40,000,000)) or (b) with respect to a principal amount of the Loan that is prepaid, repaid, paid, applied or reduced on or after any Equity Milestone, an amount equal to (i) four million Dollars ($4,000,000) *multiplied by* (ii) the percentage of the principal amount of the Loan being prepaid, repaid, paid, applied or reduced (as compared to the original principal amount of forty million Dollars ($40,000,000)).

"Fair Market Value" means, with respect to any asset or property, the value of the consideration obtainable in a sale of such asset or property negotiated at arm's length between a willing seller and a willing and able buyer, neither of whom is under undue pressure nor compulsion to complete the transaction.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any intergovernmental agreements entered into in connection therewith.

"FDA" means the United States Food and Drug Administration or any successor thereto.

"FDA Marketing Approval Letter" means a Marketing Authorization from the FDA.

"FFDCA" means the U.S. Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301*et seq*.).

"Final Maturity Date" means the earliest of (a) the Scheduled Maturity Date, (b) the date of the acceleration of the Loan in accordance with the terms of this Agreement and (c) the date of the Payment In Full of all Obligations.

"Financial Milestone" means the initial satisfaction of each of the following events: (a) occurrence of a Qualified IPO or Ultimate Parent Spinout and (b) Parent first achieving a market capitalization in excess of [***] (as measured by the reported closing price of the common stock of Parent on the stock exchange or reporting system upon which the Parent's common stock is traded or reported).

"Financial Officer" of any Person means the principal financial officer, principal accounting officer, Treasurer, Assistant Treasurer or Controller of such Person.

"First Amendment" means that certain First Amendment to the Credit Agreement, dated as of May 24, 2024, among the Parent, the other Borrowers, Guarantors, the Lender and the Collateral Agent.

"First Amendment Effective Date" has the meaning set forth in the First Amendment.

"First Amendment Transactions" means the transactions contemplated by the First Amendment, including (a) the execution, delivery and performance by the parties thereto of (i) the First Amendment, (ii) the Amendment to NovaQuest Funding Agreement, (iii) the Amendment to RIPSA, (iv) the Equity Commitment Letter (including the making of the equity contributions pursuant thereto and the issuance of Preferred Stock contemplated thereby), (v) the common shares to be issued as contemplated by the Amendment to NovaQuest Funding Agreement and Amendment to RIPSA, (vi) the investor rights agreement in connection with the issuances of the common shares, (vii) the Certificate of Designations (as defined herein) relating to the Preferred Stock to be issued in accordance with the Equity Commitment Letter and (viii) any other document or instrument expressly contemplated by the foregoing and (b) the payment of all fees and expenses to be paid in connection with the foregoing in accordance with the Lender-approved flow of funds memorandum as of the First Amendment Effective Date.

"Flow of Funds Memorandum" means a flow of funds memorandum substantially in the form attached to the Disclosure Letter as Exhibit D.

"Foreign Law Security Documents" means the English Law Security Documents, the Irish Law Security Documents and the Swiss Law Security Documents and any other Security Documents that are entered into after the Effective Date and are governed, or purport to

be governed, by the law of a jurisdiction other than the United States of America (or any state thereof or the District of Columbia).

"Foreign Sovereign Immunities Act" means the US Foreign Sovereign Immunities Act of 1976 (28 U.S.C. Sections 1602-1611), as amended.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession. Notwithstanding anything in this Agreement to the contrary, for all purposes hereunder, any obligations of a Person in respect of leases that would have been treated as operating leases in accordance with Accounting Standards Codification 842 (regardless of whether or not then in effect) shall be treated as operating leases for purposes of all financial definitions, calculations and covenants, without giving effect to Accounting Standards Codification 842 requiring operating leases to be recharacterized or treated as capital leases.

"Governing Documents" means, (a) with respect to any corporation or company, the memorandum, certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization, and the operating agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership agreement, joint venture agreement, declaration or other applicable agreement or documentation evidencing or otherwise relating to its formation or organization, governance and capitalization; and (d) with respect to any of the entities described above, any other agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization (in relation to a Swiss Obligor this includes a copy of a certified excerpt from the commercial register, a copy of the certified up-to-date articles of association (evidencing, where relevant, the capacity to enter into obligations of an up- or cross-stream nature) and, if applicable, a copy of the organizational regulations).

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"guarantee" means a guarantee or other provision of credit support (other than by endorsement of negotiable instruments for deposit or collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations, including by providing security therefor or by becoming a co-obligor with respect thereto; provided that the term "guarantee" shall not include customary and reasonable indemnity obligations or product warranties in effect on the Effective Date or entered into in connection

with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The term "guarantee", when used as a verb, shall mean to provide a guarantee.

"Guarantee" means (a) the guarantee of each Guarantor party hereto contained in Article VIII hereof and (b) each other guarantee, in form and substance satisfactory to the Lender, made by any other Guarantor in favor of the Lender guaranteeing all or part of the Obligations.

"Guaranteed Obligations" has the meaning ascribed to such term in Section 8.01(a).

"Guarantors" means each of (a) the Initial Guarantors, and (b) each other Person that Incurs a Guarantee pursuant to Section 6.25 or Section 6.26; provided, however, upon the release or discharge of such Person from its Guarantee in accordance with this Agreement, such Person ceases to be a Guarantor.

"Guidelines" means, together, guideline S-02.123 in relation to interbank loans of 22 September 1986 (*Merkblatt "Verrechnungssteuer auf Zinsen von Bankguthaben, deren Gläubiger Bankensind (Interbankguthaben)" vom 22. September 1986*), guideline S-02.130.1 in relation to money market instruments and book claims of April 1999 (*Merkblatt vom April 1999 betreffend Geldmarktpapiere und Buchforderungen inländischer Schuldner*), circular letter No. 34 of 26 July 2011 (1-034-V-2011) in relation to deposits (*Kreisschreiben Nr. 34 "Kundenguthaben" vom 26. Juli 2011*) and the circular letter No. 15 of 3 October 2017 (1-015-DVS-2017) in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss withholding tax and Swiss stamp taxes (*Kreisschreiben Nr. 15 "Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer und der Stempelabgaben" vom 3. Oktober 2017*), circular letter No. 46 of 24 July 2019 (1-046-VS-2019) in relation to syndicated credit facilities (*Kreisschreiben Nr. 46 betreffend steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen vom 24. Juli 2019*) and circular letter No. 47 of 25 July 2019 (1-047-V-2019) in relation to bonds (*Kreisschreiben Nr. 47 betreffend Obligationen vom 25. Juli 2019*), in each case as issued, amended or replaced from time to time, by the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time.

"Hazardous Material" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"Health Care Authorizations" has the meaning ascribed to such term in Section 5.24.

"Health Care Laws" has the meaning ascribed to such term in Section 5.24. "Hedging Obligations" means, with respect to any Person, the obligations of such Person under a Swap Agreement.

"Hercules Credit Facility" means the $20,000,000 term loan credit facility provided to the Borrowers pursuant to the Loan and Security Agreement dated as of May 24, 2019 among the Borrowers, the Initial Guarantors, the lenders party from time to time thereto and Hercules Capital, Inc., as agent.

"Highest Lawful Rate" means the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Obligations under laws applicable to the Lender which are currently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

"HMRC" means HM Revenue & Customs of the UK.

"Immaterial Subsidiary" means, at any time, any Subsidiary of the Parent that (x) has not Incurred any Indebtedness for borrowed money (other than Indebtedness owing to a Loan Party) in an amount in excess of $25,000 and (y) has, excluding its Subsidiaries, (i) total assets that are individually less than 3.75% of the consolidated total assets of the Parent and its Subsidiaries in the aggregate and (ii) gross revenues that are individually less than 3.75% of the consolidated gross revenues of the Parent and its Subsidiaries in the aggregate; provided, however, that if, at any time, the aggregate amount of the consolidated total assets or consolidated gross revenues attributable to all Subsidiaries of the Parent that would otherwise be Immaterial Subsidiaries exceeds 7.5% in the aggregate of the consolidated total assets or consolidated gross revenues, respectively, of the Parent and its Subsidiaries, only those Immaterial Subsidiaries with the smallest percentage of assets (not exceeding 7.5% in the aggregate of the consolidated total assets of the Parent and its Subsidiaries) shall constitute Immaterial Subsidiaries.

"Incur" means issue, assume, guarantee, incur or otherwise become liable for. The terms "Incurred" and "Incurrence" have correlative meanings.

"Indebtedness" means, with respect to any Person:

(1) any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by or in bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except any such balance that constitutes a trade payable or similar obligation to a trade creditor Incurred in the ordinary course of business), which purchase price is due more than six months after the date of placing the property in service or taking delivery and title thereto, (d) in respect of Capitalized Lease Obligations or (e) representing any Hedging Obligations;

(2) to the extent not otherwise included in the preceding clause (1), any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the

Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and

(3) to the extent not otherwise included in the preceding clauses (1) or (2), a third party's liability of the sort contemplated in the preceding clauses (1) or (2) that is secured by a Lien on any asset owned by such Person (whether or not such liability is assumed by such Person); provided, however, that the amount of such liability will be the lesser of: (a) the Fair Market Value (as determined in good faith by such Person) of such asset at such date of determination; and (b) the amount of such liability to the third party;

provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include: (i) deferred or prepaid revenues; (ii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (iii) any earn-out obligations, purchase price adjustments, deferred purchase money amounts, milestone or bonus payments (whether performance or time-based), and royalty, licensing, revenue or profit sharing arrangements, in each case, characterized as such and arising expressly out of purchase and sale contracts, development arrangements or licensing arrangements; (iv) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto; or (v) asset retirement obligations and obligations in respect of workers' compensation (including pensions and retiree medical care) that are not overdue by more than 60 days.

"Indemnified Matters" has the meaning ascribed to such term in Section 10.15(a). "Indemnified Taxes" means (a) Taxes, other than Excluded Taxes and, without

duplication of Taxes addressed in Section 2.07(j), VAT, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitees" has the meaning ascribed to such term in Section 10.15(a). "Independent Financial Advisor" means an accounting, appraisal or investment banking firm or consultant, in each case of recognized standing in the United States, that is, in the good faith determination of the Parent, qualified to perform the task for which it has been engaged, including, for the avoidance of doubt, PricewaterhouseCoopers.

"Initial Borrowers" means the Bermuda Borrower, the English Borrower, the Irish Borrower and the Swiss Borrower.

"Initial Guarantors" means the Subsidiaries of the Parent listed as Guarantors on the signature pages of this Agreement.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of any Debtor Relief Law.

"Insurance/Condemnation Proceeds" means cash payments or proceeds paid (a) under any casualty insurance policy in respect of a covered loss thereunder in respect of any assets or property of any Loan Party or (b) as a result of the taking of any assets or property of

any Loan Party by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets or property to a purchaser with such power under threat of such a taking.

"Intellectual Property" means, with respect to any Person, all intellectual property and proprietary rights in any jurisdiction throughout the world, and all corresponding rights, presently or hereafter existing, including: (1) all patents, patent applications, industrial designs, industrial design applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, divisionals, extensions, and reexaminations in connection therewith; (2) all trademarks, trademark applications, servicemarks, servicemark applications, protectable trade dress, Internet domain names, and all other indicia of origin, all applications, registrations, and renewals in connection therewith, and all goodwill associated with any of the foregoing; (3) all copyrights and other works of authorship, mask works, database rights and moral rights, and all applications, registrations, and renewals in connection therewith; (4) all trade secrets, protectable know-how, and confidential and proprietary information (including inventions (whether or not patentable or reduced to practice), improvements, technologies, new drug applications, abbreviated new drug applications, biologic license applications or 351(k) biologic license applications (or equivalent non-U.S. applications of any of the foregoing), processes, techniques, protocols, methods, industrial models, designs, drawings, plans, specifications, research and development, data, including technical and clinical data, customer and supplier lists, manufacturing processes, pricing and cost information, and business and marketing plans and proposals); (5) all software (including source code, executable code, databases, and related documentation); (6) all similar or equivalent proprietary rights; and (7) all copies and tangible embodiments or descriptions of any of the foregoing (in whatever form or medium).

"Intercreditor Event of Default" shall have the meaning ascribed to such term in the Senior Lender Intercreditor Agreement.

"Interest Percentage" means (i) with respect to any period (or portion thereof) prior to the First Amendment Effective Date, ten percent (10%) per annum, and (ii) with respect to any period (or portion thereof) on and after the First Amendment Effective Date, twelve and a quarter percent (12.25%) per annum.

"Internal Revenue Code" or "Code" means the Internal Revenue Code of 1986, as amended.

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel, moving and similar advances to officers, employees, directors, advisors and consultants made in the ordinary course of business), and purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any such other Person.

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities that have a rating equal to or higher than "Baa3" (or equivalent) by Moody's or "BBB-" (or equivalent) by S&P, or an equivalent rating by any other nationally recognized statistical rating organization, but excluding any debt securities or loans or advances between or among any of the Loan Parties;

(3) investments in any fund that invests at least 95% in investments of the type described in clauses (1) and (2) above, which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"Irish Borrower" has the meaning ascribed to such term in the preamble hereto. "Irish Law Security Documents" means the following documents, each in form and substance reasonably satisfactory to the Lender and the Collateral Agent: (a) that certain Irish-law Debenture dated as of the ~~date hereof~~Effective Date between the Irish Borrower and the Collateral Agent (the "Irish Debenture"), (b) that certain Irish-law Share Charge dated as of the ~~date hereof~~Effective Date between the English Borrower and the Collateral Agent, and (c) such other documents incidental thereto as the Lender may reasonably determine necessary.

"Irish Loan Party" means the Irish Borrower and any other Loan Party incorporated under the laws of Ireland.

"Irish Non-Treaty Lender" means a Lender that is beneficially entitled to interest payable hereunder, and which is:

(1) a bank within the meaning of section 246 of the TCA which is carrying on a bona fide banking business in Ireland for the purposes of section 246(3)(a) of the TCA and whose lending office is located in Ireland; or

(2) a company (within the meaning of Section 246 of the TCA);

(a) which, by virtue of the law of an Irish Non-Treaty Lender Jurisdiction is resident in the Irish Non-Treaty Lender Jurisdiction for the purposes of tax and that jurisdiction imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction; or

(b) in receipt of interest under a Loan Document which:

(i) is exempted from the charge to Irish income tax pursuant to the terms of a double taxation agreement entered into between Ireland and another jurisdiction that is in force on the date the relevant interest is paid; or

(ii) would be exempted from the charge to Irish income tax pursuant to the terms of a double taxation treaty entered into between Ireland and another jurisdiction signed on or before the date on which the relevant interest is paid but not in force on that date, assuming that treaty had the force of law on that date

provided that, in the case of both (a) and (b) above, such company does not provide its commitment in connection with a trade or business which is carried on in Ireland through a branch or agency in Ireland; or

(3) a corporation that is incorporated in the United States ("U.S.") and is taxed in the U.S. on its worldwide income provided that such U.S. company does not provide its commitment in connection with a trade or business which is carried on in Ireland through a branch or agency in Ireland; or

(4) a U.S. limited liability company ("LLC"), where the ultimate recipients of the interest payable to that LLC satisfy the requirements set out in (2) or (3) above and the business conducted through the LLC is so structured for ~~market~~non-tax commercial reasons and not for tax avoidance purposes, provided that such LLC does not provide its commitment in connection with a trade or business which is carried on by it in Ireland through a branch or agency in Ireland; or

(5) a company (within the meaning of Section 246 of the TCA);

(a) which advances money in the ordinary course of a trade which includes the lending of money;

(b) in whose hands any interest payable in respect of money so advanced is taken into account in computing the trading income of that company;

(c) which has complied with the notification requirements set out in Section 246(5)(a) of the TCA; and

(d) whose lending office is located in Ireland; or

(6) a qualifying company (within the meaning of section 110 of the TCA and whose lending office is located in Ireland); or

(7) an investment undertaking (within the meaning of Section 739B of the TCA and whose lending office is located in Ireland); or

(8) an exempt approved scheme within the meaning of section 774 of the TCA and whose lending office is located in Ireland.

"Irish Non-Treaty Lender Jurisdiction" means:

(a) a member state of the European Communities (other than Ireland); or

(b) a jurisdiction with which Ireland has entered into a double taxation agreement that either has the force of law by virtue of section 826(1) TCA or which will have the force of law on completion of the procedures set out in section 826(1) TCA.

"Irish Treaty Lender" means a Lender which

(a) is treated as resident of an Irish Treaty State for the purposes of the relevant Treaty and is entitled to the benefit of such Treaty;

(b) does not carry on business in Ireland through a permanent establishment with which that Lender's participation in this Agreement is effectively connected; and

(c) which, subject to the completion of procedural formalities, is entitled to full exemption from Irish Tax on interest under that Irish Treaty.

"Irish Treaty State" means a jurisdiction having a double taxation agreement (a "Treaty") with Ireland which makes provision for full exemption from tax imposed by Ireland on interest.

"Irish Withholding Tax" means any Taxes imposed by way of deduction or withholding by Ireland.

"Knowledge" means the actual knowledge of an Officer.

"Law" or "Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Legal Reservations" means: (a) the time barring of claims under the Statute of Limitation 1957 of Ireland and defences of set-off or counterclaim; (b) the principle that security expressed to be fixed security may take effect a floating security and the principle that the creation or purported creation of a Lien over any contract or agreement which is subject to a prohibition on transfer, assignment or charging may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which Lien has purportedly been created; and (c) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions delivered by the Lender's Irish counsel pursuant to this Agreement.

"Lender" has the meaning ascribed to such term in the preamble hereto.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell, or give a security interest in, such asset); provided that in no event shall an operating lease or license be deemed to constitute a Lien.

"Loan" or "Loans" means the Loan, individually or collectively, as the context requires, made by the Lender to the Borrowers on the Effective Date pursuant to Section 2.01(a), including as may be assigned in whole or in part from time to time in accordance with the terms and conditions hereof.

"Loan Account" means the account maintained hereunder by or on behalf of the Lender on its books of account and, with respect to the Borrowers, in which (a) the Borrowers will be charged with all Loans made to, and all other Obligations incurred by, the Borrowers and (b) into which the Loan Parties shall make all payments to the Lender under this Agreement and the other Loan Documents.

"Loan Document" means this Agreement, including the Guarantee hereunder, the Promissory Notes (if any), any separate Guarantee, the Senior Lender Intercreditor Agreement, the Warrants, each Perfection Certificate, each Security Document, and any other agreement, instrument, certificate, report and other document executed and delivered pursuant hereto or thereto or otherwise evidencing or securing any Loan or any other Obligation.

"Loan Parties" means each Borrower and each Guarantor.

"Marketing Authorization" means, with respect to the Product, the approval of any Regulatory Authority that is required by applicable law to sell the Product for use in a given country or region.

"Material Adverse Effect" means a material adverse effect, in any respect, on (a) the business, operations, affairs, financial condition, assets or properties of the Loan Parties, taken as a whole, (b) the Commercialization of the Product within the United States, (c) the ability of each Loan Party to perform its obligations under the Loan Documents to which it is party, or (d) the validity or enforceability of the Loan Documents, including the validity and priority of the Liens securing the Obligations.

"Material ~~Contracts~~Contract" means a contract or other agreement that is material in relation to the business, operations, affairs, financial condition, assets or properties of each Loan Party party thereto or bound thereby (other than ordinary course employment contracts).

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"Multiemployer Plan" means a "multiemployer plan" as defined in Sections 3(37) and 4001(a)(3) of ERISA.

"Net Income" means, with respect to any Person, the net income (loss) of such Person and its Subsidiaries, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Non-Bank Rules" means, together, the 10 Non-Bank Rule and the 20 Non-Bank Rule.

"Notice of Borrowing" has the meaning ascribed to such term in Section 2.02(a). "NovaQuest" means NovaQuest Co-Investment Fund VIII, L.P., a Delaware limited partnership.

"NovaQuest Funding Agreement" means that certain Funding Agreement dated as of July 10, 2018 between the Swiss Borrower and NovaQuest (as amended by that certain First Amendment to Funding Agreement, dated as of October 11, 2018, the Amendment to Funding Agreement, dated as of March 28, 2024, the Amendment to Funding Agreement, dated as of April 12, 2024, the Amendment to Funding Agreement, dated as of April 29, 2024, the Amendment to Funding Agreement, dated as of May 6, 2024, the Amendment to Funding Agreement, dated as of May 13, 2024, the Amendment to Funding Agreement, dated as of May 20, 2024, the Amendment to Funding Agreement, dated as of May 22, 2024 and the Amendment to NovaQuest Funding Agreement, and as further amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time).

"Obligations" means any principal, premium (including the Premium), interest, penalties, fees (including the Exit Fee), expenses, indemnifications, damages and other liabilities payable under this Agreement or any other Loan Document (other than the ~~Warrant~~Warrants).

"Officer" means the chairman of the board, the chief executive officer, the chief financial officer or principal accounting officer, the general counsel, the president, any executive vice president, any senior vice president, any vice president, the treasurer, the secretary or any director of the Parent or other applicable Loan Party.

"Officers' Certificate" means a certificate signed on behalf of the applicable Loan Party by an Officer of such Loan Party.

"Opinion of Counsel" means a written opinion in form and substance reasonably acceptable to the Lender.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced, any Loan Document, the RIPSA or any Revenue Interest, or sold or assigned an interest in any Loan, any Loan Document, the RIPSA or any Revenue Interest).

"Other Currency" has the meaning ascribed to such term in Section 10.27.

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"Paid In Full," "Pay In Full," "Paying In Full" or "Payment In Full" means, with respect to the Obligations or the Guaranteed Obligations, the payment in full, in cash, of all such Obligations or Guaranteed Obligations, as the case may be (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted), and the termination of all Commitments relating to the Obligations.

"Parent" has the meaning ascribed to such term in the preamble hereto. "Participant Register" has the meaning ascribed to such term in Section 10.07(e). "Patent Security Agreement" means each Patent Security Agreement executed and delivered by the applicable Loan Party, as grantor, in favor of the Collateral Agent, in form and substance reasonably satisfactory to the Lender.

"Patents" means all patents (including all reissues, extensions, substitutions, confirmations, re-registrations, re-examinations, revalidations, supplementary protection certificates and patents of addition) and patent applications (including all provisional applications, requests for continuation, continuations, continuations-in-part and divisionals) and all equivalents of the foregoing in any country in the world.

"Payment Date" means each March 31, June 30, September 30 and December 31. "Pension Plan" means any Plan that is subject to the provisions of Title IV of ERISA or Section 412 of the Code.

"Perfection Certificate" means a certificate providing information with respect to the property of each Loan Party in the form attached to the Collateral Agreement and in substance satisfactory to the Lender.

"Perfection Requirements" means the making or procuring of appropriate registrations, filings, endorsements, notarizations, intimations, stamping and/or notifications of the Security Documents and/or any Lien expressed to be created under the Security Documents determined by the legal advisers to the Lender to be necessary in any applicable jurisdiction for the enforceability or production in evidence of the relevant Security Document.

"Permits" has the meaning ascribed to such term in Section 5.23.

"Permitted Acquisition" shall mean any acquisition (including by way of merger) by any Loan Party of all or substantially all of the assets of another Person, or of a division or line of business of another Person, or capital stock of another Person, which is conducted in accordance with the following requirements:

(a) such acquisition is of a business or Person engaged in a line of business similar, related, or complementary to lines of business of the Loan Parties or their Subsidiaries;

(b) if such acquisition is structured as a stock acquisition, then the Person so acquired shall either (i) become a wholly-owned Subsidiary of a Loan Party or of a Subsidiary and such Loan Party shall comply, or cause such Subsidiary to comply, with Section 6.25 or 6.26 hereof or (ii) such Person shall be merged with and into a Loan Party (with such Loan Party being the surviving entity);

(c) if such acquisition is structured as the acquisition of assets, such assets shall be acquired by a Loan Party;

(d) Parent shall have delivered to Lender not less than five (5) days prior to the date of such acquisition, notice of such acquisition, copies of then-current drafts of all material documents relating to such acquisition, and historical financial statements for such acquired entity (to the extent available), division or line of business, in each case in form reasonably satisfactory to Lender and demonstrating compliance with the covenants set forth in Section 6.19, if applicable, hereof on a pro forma basis;

(e) both immediately before and immediately after such acquisition no default or Event of Default shall have occurred and be continuing; and

(f) if the sum of the purchase price consideration paid in respect of such proposed acquisition, when taken together with all consideration paid in respect of earnouts, milestones and other similar deferred purchase price consideration as and when paid, in each case by the Loan Parties with respect thereto, and including the amount of permitted Indebtedness assumed or to which such assets, businesses or business or ownership interest or shares, or any Person so acquired, remain subject (excluding performance-based milestones, earnouts, or royalties that qualify as Indebtedness permitted by Section 6.02) shall not be greater than $20,000,000.

"Permitted Disposition" means:

(a) a Disposition of inventory (as defined in the Uniform Commercial Code) or goods held for sale in the ordinary course of business;

(b) a Disposition of Cash Equivalents or Investment Grade Securities, in each case, in a manner not otherwise prohibited by the terms of this Agreement or any other Loan Document;

(c) a Disposition of surplus, obsolete, damaged or worn-out assets, property or equipment in the ordinary course of business (including the abandonment or other Disposition of Intellectual Property, whether in whole or on a country-by-country basis, that is, in the reasonable judgment of the applicable Loan Party, no longer economically practicable or commercially reasonable to maintain or useful in any material respect in the conduct of the business of the Loan Parties, taken as a whole);

(d) a Disposition of equipment or other assets as part of a trade-in for replacement equipment;

(e) the Disposition of all or substantially all of the assets of any Loan Party in a manner permitted pursuant to Section 6.21 or Section 6.22, as applicable, or any Disposition that constitutes a Change of Control;

(f) any Restricted Payment that is permitted to be made, and is made, under Section 6.03; Investment;

(g) to the extent deemed a Disposition, the making of any Permitted

(h) the issuance or sale of Equity Interests of any Loan Party, provided, however, that all such Equity Interests so issued or sold in respect of any Loan Party (other than the Parent) have a combined aggregate Fair Market Value of less than [***];

(i) any Disposition of assets or property or the issuance of Equity Interests or other securities, by a Loan Party to another Loan Party (or to an entity that contemporaneously therewith becomes a Loan Party) so long as such issuance of Equity Interests or other securities does not result in a Change of Control in respect of the issuing Loan Party;

(j) the lease or sublease of any real or personal property (excluding any Intellectual Property or Product Assets) in the ordinary course of business;

(k) (i) any non-exclusive license, collaboration agreement, strategic alliance or similar arrangement in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property, (ii) any exclusive license, collaboration agreement, strategic alliance or similar arrangement in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for any treatment indicated for such product in a territory outside of the United States, (iii) any exclusive license, collaboration agreement, strategic alliance or similar arrangement in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for any treatment indicated for such product (other than plaque psoriasis, atopic dermatitis, vitiligo, and primary focal hyperhidrosis) in the United States, or (iv) any exclusive license, collaboration agreement, strategic alliance or similar arrangement, in each case, with a Qualified Party in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for treatment of plaque psoriasis, atopic dermatitis, vitiligo, or primary focal hyperhidrosis in the United States, in each case, that, at the time of the grant thereof, does not, and is not reasonably expected to, materially and adversely affect the applicable Loan Party's business, condition (financial or otherwise) or prospects or the value of the Collateral, taken as a whole, and including therewith, the lease or sublease of any Product Assets (excluding any Intellectual Property) that are customarily leased or subleased in such license, collaboration agreement, strategic alliance or similar arrangement;

(l) any surrender or waiver of contract rights or the settlement of, release of, recovery on or surrender of contract, tort or other claims of any kind (except where such surrender or waiver could reasonably be expected to have a material adverse effect on the value of the related Intellectual Property or Product Assets);

(m) to the extent deemed a Disposition, the incurrence of any Permitted Liens;

(n) any Disposition of Capital Stock of any Loan Party pursuant to an agreement or other obligation with or to a Person (other than a Loan Party) from whom such Loan Party was acquired or from whom such Loan Party acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(o) Dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(p) Dispositions resulting from any involuntary loss of title or damage to, involuntary loss or destruction of, or condemnation or other taking of, any property or assets of any Loan Party;

(q) the unwinding, settlement or termination of any obligations under or in respect of any Swap Agreements (including any Permitted Equity Derivatives and Hedging Obligations);

(r) Dispositions of regulatory approvals or Marketing Authorizations for any jurisdiction to another Loan Party or, in the case of a licensee to such licensee or an affiliate thereof, in each case organized in such jurisdiction for the purposes of Commercialization of the Product in such jurisdiction; and

(s) other Dispositions that are made for Fair Market Value; provided that (i) at the time of any Disposition, no Event of Default shall exist or shall result from such Disposition, and (ii) the aggregate Fair Market Value of all such assets Disposed by the Loan Parties shall not exceed (x) prior to the Financial Milestone, (A) [***] in any fiscal year or (B) [***] in an aggregate amount during the term of this Agreement and (y) from and after the Financial Milestone, (A) [***] in any fiscal year or (B) [***] in an aggregate amount during the term of this Agreement.

"Permitted Equity Derivatives" means any forward purchase agreement, accelerated share purchase agreement, or Swap Agreement, in each case, that is settled (after payment of any premium or any prepayment thereunder) through the delivery of cash and/or of Equity Interests (other than Disqualified Stock) of the Parent and is executed in connection with any Convertible Debt Securities (or deemed executed therewith) in customary form, the purpose of which is to repurchase Equity Interests (other than Disqualified Stock) of the Parent and/or mitigate dilution upon conversion of such Convertible Debt Securities (including, but not limited to, any bond hedge transaction, warrant transaction, or capped call transaction).

"Permitted Investments" means:

(1) any Investment in any Loan Party; provided, that any Collateral may be transferred pursuant to this clause (1) only to another Loan Party that complies with the applicable requirements of Section 6.09;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by any Loan Party in a Person if as a result of such Investment (a) such Person becomes a Loan Party or (b) such Person, in one transaction or a series of related transactions, is merged, amalgamated or consolidated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, a Loan Party; provided, that any Collateral may be transferred pursuant to this clause (3) only to a Loan Party that complies with the applicable requirements of Section 6.09;

(4) without limiting the requirements of Section 2.05(b), any Investment in securities or other assets not constituting Cash Equivalents and received in connection with a Permitted Disposition;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Effective Date and listed on Schedule 5.28 to the Disclosure Letter or an Investment consisting of any extension, modification or renewal of any such Investment existing on the Effective Date; provided that the amount of any such Investment may be increased as required by the terms of such Investment as in existence on the Effective Date;

(6) advances to employees not in excess of [***] outstanding at any one time in the aggregate;

(7) any Investment acquired by any Loan Party (a) in exchange for any other Investment or accounts receivable held by any such Loan Party in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable, (b) as a result of a foreclosure by any Loan Party with respect to any secured Investment or other transfer of title with respect to any secured Investment in default, (c) in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof or (d) accepted in connection with a Permitted Disposition;

(8) Hedging Obligations and Permitted Equity Derivatives permitted under Section 6.02;

(9) Investments by any Loan Party having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed [***] (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (9) is made in any Person that is not a Loan Party at the date of the making of such Investment and such Person becomes a Loan Party after such date, such Investment shall thereafter be deemed to have been made pursuant to clause

(1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Loan Party;

(10) loans and advances to officers, directors and employees for business-related travel expenses, moving expenses and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such person's purchase of Equity Interests of the Parent, not to exceed [***] at any one time outstanding pursuant to this clause (10);

(11) Investments the payment for which consists of Equity Interests of the Parent (other than Disqualified Stock); provided, however, that such Equity Interests will not increase the amount calculated under clause (2) of the definition of "Cumulative Credit";

(12) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 6.06(b) (except transactions described in clauses (ii), (x), (xiii)(B) and (xiv) of such Section);

(13) Investments consisting of (i) the non-exclusive licensing of Intellectual Property or collaboration agreements, strategic alliances or similar arrangements in respect of Intellectual Property, in each case, for the development or commercialization of Intellectual Property in the ordinary course of business, (ii) any exclusive license, collaboration agreement, strategic alliance or similar arrangement in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for any treatment indicated for such product in a territory outside of the United States, (iii) any exclusive license, collaboration agreement, strategic alliance or similar arrangement in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for any treatment indicated for such product (other than plaque psoriasis, atopic dermatitis, vitiligo, and primary focal hyperhidrosis) in the United States, or (iv) any exclusive license, collaboration agreement, strategic alliance or similar arrangement, in each case, with a Qualified Party in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for treatment of plaque psoriasis, atopic dermatitis, vitiligo, or primary focal hyperhidrosis in the United States, in each case, that does not materially and adversely affect the applicable Loan Party's business, condition (financial or otherwise) or prospects or the value of the Collateral, taken as a whole, and including therewith, the lease or sublease of any Product Assets (excluding any Intellectual Property) that are customarily leased or subleased in such license, collaboration agreement, strategic alliance or similar arrangement;

(14) guarantees issued in accordance with Sections 6.02 with any letter of credit issued for the account of any Loan Party (including with respect to the issuance of, or payments in respect of drawings under, such letters of credit); provided that such guarantees shall not be for more than [***];

(15) Investments consisting of or specifically to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract

rights or non-exclusive licenses or leases of Intellectual Property (where the applicable Loan Party is the licensee or lessee), in each case in the ordinary course of business;

(16) Investments of a Loan Party that is acquired after the Effective Date or of an entity merged into, amalgamated with, or consolidated with a Loan Party in a transaction after the Effective Date that is not prohibited by Section 6.21 or Section 6.22 to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(17) any Investment in Loan Party in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;

(18) (i) lease, utility and other similar deposits and (ii) prepaid expenses, negotiable instruments held for collection and lease, and utility and workers' compensation, performance and other similar deposits, in each case, in the ordinary course of business;

(19) any repayment or prepayment of the Loan permitted and made in accordance with the terms of this Agreement;

(20) Investments consisting of earnest money deposits required in connection with a purchase agreement, a letter of intent or other acquisitions to the extent not otherwise prohibited by this Agreement;

(21) Investments by any Loan Party consisting of deposits, prepayments or other credits to suppliers or landlords, and guarantees of business obligations to suppliers, landlords, customers or licensees of such Loan Party;

(22) joint ventures or strategic alliances in the ordinary course of any Loan Party's business, provided that any cash Investments by Parent or a Subsidiary of Parent in connection therewith do not exceed [***] in the aggregate in any fiscal year;

(23) Investments consisting of Permitted Acquisitions; and

(24) Investments made using the Cumulative Credit.

"Permitted Liens" means, with respect to any Person:

(1) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet overdue or being contested in good faith by appropriate

proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for nonpayment or that are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business (including any Liens securing Indebtedness permitted to be Incurred pursuant to Section 6.02(a)(iv));

(5) minor survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions, in each case, as to the use of real properties or incidental to the conduct of the business of such Person or to the ownership of its properties that were not Incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing Indebtedness permitted to be Incurred pursuant to Section 6.02(a)(iii);

(7) (A) Liens existing on the Effective Date and set forth on Schedule 6.08 to the Disclosure Letter, including the grant of the security interests in the Product Assets in favor of the RIPSA Collateral Agent on the Effective Date as required under the RIPSA and in favor of NovaQuest as required under the NovaQuest Funding Agreement, which security interests shall be junior to the Liens of the Collateral Agent in the Product Assets and subject at all times to the Senior Lender Intercreditor Agreement, ~~and~~ (B) the grant by Dermavant Sciences, Inc. of a security interest in the Product Assets in favor of the RIPSA Collateral Agent pursuant to the Supplement No. 1 to RIPSA Collateral Agreement, dated as of August 27, 2021, which security interest shall be junior to the Liens of the Collateral Agent in the Product Assets and subject at all times to the Senior Lender Intercreditor Agreement and (C) Liens securing the Obligations, including Liens arising under or relating to the Security Documents;

(8) Liens in favor of any Loan Party;

(9) deposits made in the ordinary course of business to secure liability to insurance carriers;

(10) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligation in respect of banker's acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(11) leases or subleases of real property granted to others in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of any Loan Party and do not secure any Indebtedness;

(12) Liens arising from Uniform Commercial Code financing statement filings that name any Loan Party as debtor regarding operating leases entered into by such Loan Party in the ordinary course of business;

(13) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary; provided, however, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by any Loan Party;

(14) Liens on assets or property at the time the applicable Loan Party acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into any Loan Party; provided, however, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; provided, further, however, that the Liens may not extend to any other property owned by any Loan Party;

(15) (i) any non-exclusive license, collaboration agreement, strategic alliance or similar arrangement providing for the non-exclusive licensing of Intellectual Property or the development or commercialization of Intellectual Property in the ordinary course of business, (ii) any exclusive license, collaboration agreement, strategic alliance or similar arrangement in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for any treatment indicated for such product in a territory outside of the United States, (iii) any exclusive license, collaboration agreement, strategic alliance or similar arrangement in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for any treatment indicated for such product (other than plaque psoriasis, atopic dermatitis, vitiligo, and primary focal hyperhidrosis) in the United States, or (iv) any exclusive license, collaboration agreement, strategic alliance or similar arrangement, in each case, with a Qualified Party in the ordinary course of business providing for the licensing of Intellectual Property or the development or commercialization of Intellectual Property in respect of a pharmaceutical product for treatment of plaque psoriasis, atopic dermatitis, vitiligo, or primary focal hyperhidrosis in the United States, in each case, that, at the time of the grant thereof, does not materially and adversely affect the applicable Loan Party's business, condition (financial or otherwise) or prospects or the value of the Collateral taken as a whole, and including therewith, the lease or sublease of any Product Assets (excluding any Intellectual Property) that are customarily leased or subleased in such license, collaboration agreement, strategic alliance or similar arrangement;

(16) Liens securing Indebtedness or other obligations of a Loan Party owing to another Loan Party permitted to be Incurred in accordance with Section 6.02;

(17) Liens securing Hedging Obligations not Incurred in violation of this ~~Indenture~~Agreement; provided that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;

(18) Liens (other than Liens of the type described in clause (3) of the definition of Permitted Liens) on any property in favor of Governmental Authorities to secure partial, progress or advance payment pursuant to any contract or statute, not yet due and payable;

(19) Liens on goods purchased in the ordinary course of business, the purchase price of which is financed by a documentary letter of credit issued for the account of any Borrower in respect of Indebtedness permitted by Section 6.02(a)(iv);

(20) ~~Liens securing Hedging Obligations not Incurred in violation of this Indenture; provided that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;~~[reserved];

(21) Liens on equipment of any Loan Party granted in the ordinary course of business to such Loan Party's clients, suppliers or customers at which such equipment is located;

(22) judgment and attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(23) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of inventory entered into in the ordinary course of business;

(24) Liens Incurred to secure cash management services in the ordinary course of business that do not, individually or in the aggregate, materially impair the value of the Collateral;

(25) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement; provided, however, that this clause (25) shall not apply to any Liens securing Indebtedness;

(26) Liens arising on any real property as a result of eminent domain, condemnation or similar proceedings against such property;

(27) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts (as defined in the Uniform Commercial Code) or other funds maintained with a depository or financial institution;

(28) Liens to secure the financing of insurance premiums permitted to be Incurred pursuant to Section 6.02(a)(vii);

(29) Liens that secure Indebtedness Incurred in the ordinary course of business not to exceed [***] at any one time outstanding;

(30) security deposits in connection with real property leases;

(31) Liens on cash securing Indebtedness permitted by Section 6.02(a)(xiv) in an amount not to exceed [***];

(32) Liens on cash securing Indebtedness permitted by Section 6.02(a)(xv) and Section 6.02(a)(xvi); provided that, as to Indebtedness permitted by Section 6.02(a)(xvi), the aggregate amount of such Indebtedness that may be secured following the date that is 90 days after a Qualified IPO or Ultimate Parent Spinout, shall not exceed $500,000; and

(33) Liens on the identifiable proceeds of any property or asset subject to a Lien otherwise constituting a Permitted Lien;

Notwithstanding the foregoing, no Lien on any Product Assets shall be a Permitted Lien other than Permitted Liens of the type described in clauses (2), (3), (7), (10), (14), (15), (18), (19), (21), (22), (23), (28), (29), or (33) of the definition of "Permitted Liens".

"Permitted Non-Qualifying Bank" means a Lender which is not a Qualifying Bank but has been accepted as a Lender by the Swiss Borrower.

"Person" means any individual, corporation, company, partnership, association, limited liability company, unincorporated organization, trust, joint-stock company or joint venture, a Governmental Authority or any other entity.

"Plan" means any employee benefit plan (within the meaning of Section 3(3) of ERISA) or other plan or arrangement providing for employee compensation or benefits, whether or not subject to ERISA, that is maintained, or to which contributions are required to be made, by any Loan Party or any ERISA Affiliate or with respect to which such Loan Party or ERISA Affiliate may have any liability.

"Post-Default Rate" means a rate of interest per annum equal to the rate of interest otherwise in effect from time to time pursuant to the terms of this Agreement plus 2.00%, or, if a rate of interest is not otherwise in effect, interest at the highest rate specified herein for any Loan then outstanding prior to an Event of Default plus 2.00%.

"Preferred Stock" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution or winding up.

"Premium" means, with respect to the Loan (or any portion thereof), as of any date of determination, the premium for such date as set forth in the table below:

Period	Premium
From the Effective Date to but excluding the ~~second~~fourth anniversary of the Effective Date	5.00% plus the Contingent Extra Premium Amount
From and including the ~~second~~fourth anniversary of the	5.00%

Effective Date to but excluding the ~~third~~fifth anniversary of the Effective Date	
From and including the ~~third~~fifth anniversary of the Effective Date to but excluding the ~~fourth~~sixth anniversary of the Effective Date	2.50%
From and including the ~~fourth~~sixth anniversary of the Effective Date	0.00%

"Product" means that certain topical, non-steroidal and non-immunosuppressant pharmaceutical product for the treatment of dermatologic indications, known as Tapinarof (and as may be marketed under any other name) and more particularly described in Schedule B to the Disclosure Letter, and including any and all future iterations, improvements or modifications of such product made, developed, licensed or sublicensed by the Swiss Borrower or any other Loan Party for the treatment of dermatologic indications.

"Product Assets" means (i) all assets primarily related to the Product and that are owned by, licensed to or otherwise controlled by the Swiss Borrower or any other Loan Party, including Product IP Rights, any contract pursuant to which the Swiss Borrower or any other Loan Party has been or will be granted, assigned or otherwise conveyed any right, title or interest in or to any Product IP Rights, regulatory filings, product packaging, product inserts, product labels, regulatory approval applications, regulatory approvals, regulatory exclusivity, copies of correspondence with regulatory authorities, copies of pre-clinical and clinical data, copies of pharmacology and biology data, Material Contracts and inventory, and (ii) any other assets that are owned by, licensed to or otherwise controlled by the Swiss Borrower or any other Loan Party that are reasonably necessary for the Development, Commercialization, formulation or use of the Product, the absence of which would be reasonably expected to cause, individually or in the aggregate, a Material Adverse Effect. In no event shall the Product Assets include deposit or securities accounts, accounts receivable, chattel paper, negotiable instruments, Capital Stock or any other security.

"Product IP Rights" means all intellectual property relating to the Product owned or licensed by the Swiss Borrower or any other Loan Party, including (i) Product Know-How, (ii) all Patents Covering the Product (including its composition, formulation, delivery, manufacture or use) and (iii) all works protectable under copyright laws, trademarks, service marks and trade names that relate to the Product.

"Product Know-How" means, as related to the Product, all technical, scientific and other know-how and information, trade secrets, knowledge, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatus, specifications, data, results and other material, including pre-clinical and clinical trial results, manufacturing procedures, test procedures and purification and isolation techniques (whether or not confidential, proprietary, patented or patentable), in written, electronic or any other form, now known or hereafter developed, and all other discoveries, developments, information and inventions (whether or not confidential, proprietary, patented or patentable), and tangible embodiments of any of the foregoing, including any discoveries, developments, information or inventions relating to the stability, safety, efficacy, operation, manufacture, ingredients,

preparation, indications, presentation, formulation, means of delivery, or dosage of any pharmaceutical composition or preparation.

"Projections" means the quarterly projections of the Parent and its Subsidiaries, on a consolidated basis, ~~for the first four (4) quarters following the~~delivered to the Lender on or prior to the First Amendment Effective Date.

"Promissory Note" means a promissory note of the Borrowers, evidencing the Indebtedness resulting from the making of the Loan and delivered to the Lender pursuant to Section 2.03(d) hereof, as such promissory note may be modified or extended from time to time, and any promissory note or promissory notes issued in exchange or replacement therefor.

"PTO" means the U.S. Patent and Trademark Office.

"Purchasers" means XYQ Luxco S.à r.l., NovaQuest and MAM Tapir Lender, LLC, as purchasers under the RIPSA.

"Qualified IPO" means (i) the consummation of an underwritten initial public offering pursuant to an effective registration statement under the Securities Act for the Equity Interests of the Parent and pursuant to which such Equity Interests will be listed on a U.S. or international exchange, (ii) an initial direct listing of such Equity Interests on any such exchange by the Parent (whether or not the Parent issues and sells such Equity Interests in connection with such direct listing) or (iii) the merger, acquisition or similar transaction involving the Parent and another Person (including a special purpose acquisition company but excluding any Affiliate of the Parent) after which either the Parent's Equity Interests are listed on such exchange, a successor to the Parent's Equity Interests are listed on such exchange or the Equity Interests of the surviving parent company of the Parent after the consummation of such transaction are listed on such exchange.

"Qualified Party" means [***].

"Qualifying Bank" means: (a) any bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (*Bundesgesetz über die Banken und Sparkassen*); or (b) a person or entity which effectively conducts banking activities with its own infrastructure and staff as its principal purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or

if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case within the meaning of the Guidelines.

"Recipient" means any Lender or the Collateral Agent.

"Register" has the meaning ascribed to such term in Section 10.07(d). "Registrar" shall mean the original Lender or the Person designated as the

Registrar by the original Lender by written notice to the Parent, the Collateral Agent and the other Lenders; provided that any existing Registrar may announce its intention to resign as the Registrar upon providing written notice to Parent, the Collateral Agent and the other Lenders, in which case the Credit Agreement shall be promptly amended to appoint an administrative agent (in accordance with Section 10.02(f) of this Agreement), and the Registrar shall mean such appointed administrative agent.

"Regulatory Authority" means any national, international, regional, state or local regulatory agency, department, bureau, commission, council or other Governmental Authority with authority over the distribution, importation, exportation, manufacture, production, use, storage, transport, clinical testing, pricing, sale or reimbursement of the Product, including the FDA.

"Related Fund" means, with respect to any Person, an Affiliate of such Person, or a fund or account managed by (x) such Person, (y) an Affiliate of such Person or (z) the same investment manager as the investment manager of such Person.

"Release" means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Materials into or onto the environment.

"Relevant Patents" has the meaning ascribed to such term in Section 5.18(b). "Remedial Action" means all actions required by Environmental Laws taken to

(a) clean up, remove, remediate or treat Hazardous Materials in the environment; or (b) perform pre-remedial studies and investigations and post-remedial operation and maintenance activities.

"Required Lenders" means, as of any date of determination, one or more Lenders having or holding an aggregate principal amount of Loans outstanding as of such date representing more than 50% of the Loan or aggregate Loans outstanding hereunder as of such date. For the avoidance of doubt, to the extent the Lender is the only Lender party to this Agreement, the term "Required Lenders" shall mean the "Lender", and if there is more than one Lender party to this Agreement, all references to "Lender" shall mean references to the "Required Lenders."

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Response" means "response" as such term is defined in CERCLA (42 U.S.C. 9601(24)) and all other actions required by any Governmental Authority or voluntarily

undertaken to clean up, remove, treat, abate or in any other way address any Hazardous Materials in the environment, prevent the Release or threat of Release, or minimize the further Release, of any Hazardous Materials or perform studies and investigations in connection therewith, as a precondition thereto or to determine the necessity of the activities described therein.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Revenue Interests" has the meaning ascribed to such term in the RIPSA as in effect on the Effective Date without giving effect to any amendment to the RIPSA except as shall have been previously approved in writing by the Lender.

"RIPSA" means the Revenue Interest Purchase and Sale Agreement dated as of the ~~date hereof~~Effective Date by and among the Swiss Borrower, the RIPSA Collateral Agent and ~~XYQ Luxco S.à r.l., NovaQuest and Marathon Asset Management, L.P., as purchasers (as amended~~the Purchasers (as amended by the Amendment to RIPSA, and as further amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time).

"RIPSA Collateral Agent" means U.S. Bank Trust Company, National Association, as collateral agent on behalf of the purchasers listed on the signature pages of the RIPSA.

"S&P" means S&P Global Ratings or any successor to the rating agency business thereof.

"Sale and Leaseback Transaction" means an arrangement relating to property now owned or acquired after the Effective Date by any Loan Party whereby such Loan Party transfers such property to a Person and such Loan Party (or an Affiliate of such Loan Party) leases it from such Person.

"Sanctions" has the meaning ascribed to such term in Section 5.22(a).

"Scheduled Maturity Date" means May 14, ~~2026~~2028.

"SEC" means the United States Securities and Exchange Commission or any successor thereto.

"Secured Parties" has the meaning ascribed to such term in the Collateral Agreement.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Securitization" has the meaning ascribed to such term in Section 10.07(h).

"Security Documents" means the security agreements, pledge agreements, mortgages, collateral assignments, account control agreements and related agreements, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced

or otherwise modified from time to time, creating, perfecting or otherwise evidencing (or purporting to create, evidence or otherwise perfect) the security interests or other Liens granted by any Loan Party in favor of the Collateral Agent in the Collateral as contemplated by this Agreement, including the Collateral Agreement (and all documentation required pursuant thereto), the Patent Security Agreement, the Trademark Security Agreement, the Control Agreements and the Foreign Law Security Documents.

"Senior Lender Intercreditor Agreement" means that certain Senior Lender Intercreditor Agreement dated as of the ~~date hereof~~Effective Date among the RIPSA Collateral Agent, NovaQuest Co-Investment Fund VIII, L.P., as a lender and agent under the NovaQuest Funding Agreement, the Lender, in its capacity as the lender hereunder, and the Collateral Agent, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time.

"Senior Subordinated Convertible Debt" means the Incurrence by the Parent, after the effective date of any Qualified IPO or Ultimate Parent Spinout, of convertible notes in an aggregate principal amount of not more than [***] at any one time outstanding; provided that such convertible notes shall (a) not have (i) any scheduled payment or mandatory prepayment of principal or (ii) a scheduled maturity date or any mandatory prepayments or redemptions of principal (other than customary change of control, fundamental change or asset sale repurchase obligations and cash payments in lieu of fractional shares upon the conversion or exchange thereof) at the option of the holder thereof, in each case no earlier than ninety one (91) days after the Final Maturity Date, (b) be unsecured, not be guaranteed by any Subsidiary of Parent that is not a Loan Party, (c) contain usual and customary subordination terms for underwritten offerings of senior subordinated convertible notes (it being understood that the summary subordination terms provided to and expressly agreed to by the Lender prior to the Effective Date constitute usual and customary within the meaning of this clause (c)) and (d) shall specifically designate this Agreement and all Obligations as "designated senior indebtedness" or similar term so that the subordination terms referred to in clause (c) of this definition specifically refer to such convertible notes as being subordinated to the Obligations pursuant to such subordination terms.

"Solvent" means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person on a going concern basis is not less than the total amount of the liabilities of such Person, (b) the present fair salable value of the assets of such Person on a going concern basis is not less than the amount that will be required to pay the probable liability of such Person on its existing debts as they become absolute and matured,(c) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital.

"Specified Jurisdiction" means the law governing or purporting to govern any Security Document.

"Sponsor" means any Person (other than the Collateral Agent, the Lender or any Affiliate of the Lender) that owns, directly or indirectly, Capital Stock of any Borrower.

"Subordinated Indebtedness" means the Senior Subordinated Convertible Debt and any other Indebtedness of the Parent that is (1) unsecured, (2) by its terms subordinated in right of payment to the Loan and any and all Borrower payment obligations under the RIPSA, in each case, on terms and conditions satisfactory to the Lender and (3) in an amount and otherwise on terms and conditions satisfactory to the Lender. For the avoidance of doubt, neither the RIPSA nor the NovaQuest Funding Agreement constitutes Subordinated Indebtedness.

"Subsidiary" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture, limited liability company or similar entity of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity. For purposes of clarity, a Subsidiary of a Person shall not include any Person that is under common control with the first Person solely by virtue of having directors, managers or trustees in common and shall not include any Person that is solely under common control with the first Person (i.e., a sister company with a common parent).

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"Swiss Borrower" has the meaning ascribed to such term in the preamble hereto.

"Swiss Law Security Documents" means the following documents, each in form and substance reasonably satisfactory to the Lender and the Collateral Agent: (a) the quota pledge agreement between the English Borrower, as pledgor, and the Collateral Agent, as pledgee and in the name and on behalf of the other pledgees as their direct representative (*direkter Stellvertreter*), regarding the pledgor's quotas in the Swiss Borrower, (b) a bank account pledge agreement between the Swiss Borrower, as pledgor, and the Collateral Agent, as pledgee and in the name and on behalf of the other pledgees as their direct representative (*direkter Stellvertreter*), regarding certain of the pledgor's bank accounts, (c) the security

assignment agreement between the Swiss Borrower, as assignor, and the Collateral Agent, as assignee, regarding certain of the assignor's insurance receivables, intra-group receivables and trade receivables, (d) an IP pledge agreement between the Swiss Borrower, as pledgor, and the Collateral Agent, as pledgee as pledgee and in the name and on behalf of the other pledgees as their direct representative (*direkter Stellvertreter*), regarding the pledgor's intellectual property rights registered in Switzerland and (e) such other documents incidental to the foregoing as the Lender may reasonably determine.

"Swiss Obligor" means a Loan Party which is incorporated in Switzerland or, if different, is considered to be tax resident in Switzerland for Swiss Withholding Tax purposes.

"Swiss Withholding Tax" means taxes imposed under the Swiss Withholding Tax Act.

"Swiss Withholding Tax Act" means the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*).

"Taxes" means any present or future tax, fee, duty, levy, tariff, impost, assessment or other charge or withholding of a similar nature imposed by a Governmental Authority (including penalties, interest and additions to tax applicable thereto).

"TCA" means the Taxes Consolidation Act, 1997 of Ireland.

"Trademark Security Agreement" means each Trademark Security Agreement executed and delivered by the applicable Loan Party, as grantor, in favor of the Collateral Agent, in form and substance reasonably satisfactory to the Lender.

"Transactions" means, collectively, the transactions to occur on or about the Effective Date pursuant to the Loan Documents, including (a) the execution and delivery of the Loan Documents, the satisfaction of the conditions precedent hereunder and the making of the Loans hereunder, (b) the issuance of the Warrants to Lender or its designee and (c) the payment of all fees and expenses to be paid on or prior to the Effective Date and owing in connection with the foregoing.

"Treasury Rate" means, in respect of any prepayment date, the yield to maturity as of such prepayment date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 that has become publicly available at least two (2) Business Days prior to such prepayment date (or, if such Federal Reserve Statistical Release H.15 is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such prepayment date to the ~~second~~fourth anniversary of the Effective Date; *provided*, that if the period from such prepayment date to the ~~second~~fourth anniversary of the Effective Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Treasury Regulations" means the United States Treasury regulations issued from time to time.

"UK" means the United Kingdom.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Non-Treaty Lender" means a Lender that is eligible to receive payments of interest hereunder without a deduction for UK Withholding Tax, other than a UK Treaty Lender.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"UK Treaty Lender" means a Lender that, subject to the completion of procedural formalities, is eligible to receive payments of interest hereunder without a deduction for UK Withholding Tax on the basis of an applicable income tax treaty between the UK and the jurisdiction in which such Lender is resident for tax purposes.

"UK Withholding Tax" means any Taxes imposed by way of deduction or withholding by the UK.

"Ultimate Parent" means Roivant Sciences Ltd., an exempted company incorporated under the laws of Bermuda, together with any successor.

"Ultimate Parent Spinout" means the distribution by Ultimate Parent to its shareholders of the Equity Interest of Parent.

"Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"USA PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (PATRIOT) Act of 2001 (Title III of Pub. L. 107-56, Oct. 26, 2001) as amended by the USA Patriot Improvement and Reauthorization Act of 2005 (Pub. L. 109-177, March 9, 2006).

"VAT" means:

(a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Warrants" means that certain warrant or warrants, to be dated the Effective Date, issued by the Parent to the Lender (or its designated Affiliate), in the form attached to the Disclosure Letter as Exhibit C.

"Withholding Agent" means any Loan Party.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun or other reference shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", whether or not so expressly stated in each such instance. The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" shall be construed to mean "and/or". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of this Agreement and the Exhibits and Schedules to the Disclosure Letter, (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any right or interest in or to assets and properties of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and (f) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. References in this Agreement to "determination" by the Lender include good faith estimates made by the Lender (in the case of quantitative determinations) and good faith beliefs by the Lender (in the case of qualitative determinations). Any reference to cash and Cash Equivalents with respect to which the Lender is the depositary or securities intermediary, or any combination thereof shall be construed to mean cash and Cash Equivalents on deposit with or in securities accounts with the Lender only to the extent the Lender is a depositary bank or registered securities intermediary. The principal amount

of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP as defined herein.

Section 1.03 Certain Matters of Construction. A Default shall be deemed to exist at all times during the period commencing on the date that such Default occurs to the date on which such Default is waived in writing pursuant to this Agreement or, in the case of a Default (other than an Event of Default), is cured within any period of cure expressly provided for in this Agreement; and an Event of Default shall "continue" or be "continuing" until such Event of Default has been waived in writing by the Lender. Any Lien referred to in this Agreement or any other Loan Document as having been created in favor of the Lender (or any subagent or designee or delegee of the Lender), any agreement entered into by the Lender (or any subagent or designee or delegee of the Lender) pursuant to this Agreement or any other Loan Document, any payment made by or to or funds received by the Lender (or any subagent or designee or delegee of the Lender) pursuant to or as contemplated by this Agreement or any other Loan Document, or any act taken or omitted to be taken by the Lender (or any subagent or designee or delegee of the Lender), shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of the Lender. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists. Unless otherwise provided, all financial calculations shall be performed with inventory valued on a first-in, first-out basis. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness or breach of the other particular representation or warranty hereunder.

Section 1.04 Accounting and Other Terms.

(a) Unless otherwise expressly provided herein, each accounting term used herein shall have the meaning given it under GAAP applied on a basis consistent with those used in preparing the Financial Statements except as noted in the definition of GAAP.

(b) All terms used in this Agreement which are defined in Article 8 or Article 9 of the Uniform Commercial Code and which are not otherwise defined herein shall have the same meanings herein as set forth therein, provided that terms used herein which are defined in the Uniform Commercial Code as in effect in the State of New York on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as the Lender may otherwise determine.

Section 1.05 Time References. Unless otherwise indicated herein, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until"

each means "to but excluding"; provided, however, that with respect to a computation of fees or interest payable to the Lender, such period shall in any event consist of at least one full day.

Section 1.06 Obligation to Make Payments in Dollars. All payments to be made by any Loan Party of principal, interest, premium, fees and other Obligations under any Loan Document shall be made in Dollars in same day funds, and no obligation of any Loan Party to make any such payment shall be discharged or satisfied by any payment other than payments made in Dollars in same day funds.

Section 1.07 Currency. For purposes of calculating financial covenants and determining compliance with covenants expressed in Dollars, foreign currencies shall be converted to Dollars in accordance with GAAP. Further, for purposes of determining compliance with any Dollar-denominated restrictions in this Agreement, the Dollar-equivalent amount in a non-U.S. currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness or Lien was Incurred (in the case of term debt, when first committed or, in the case of revolving credit debt, when committed) or Investment was made; provided that if Indebtedness is Incurred to refinance other Indebtedness denominated in a non-U.S. currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced plus the aggregate amount of accrued but unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including upfront fees, original issue discount or similar fees) Incurred in connection with such refinancing. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated by the Parent based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Section 1.08 Swiss Terms. In this Agreement, where it relates to a Swiss Obligor, a reference to liquidation, bankruptcy, insolvency, winding-up, reorganization, moratorium or any proceeding under any present or future bankruptcy, insolvency or similar applicable law means that such a Swiss Obligor is unable to or admits inability to pay its debts as they fall due (*zahlungsunfähig*), or is deemed to or declared to be unable to pay its debts, suspends or threatens to suspends making payments on any of its debts, or (i) has initiated against it, (ii) it is legally obliged to initiate, or (iii) initiates: (A) bankruptcy proceedings (*Konkurs*), (B) proceedings leading to a provisional or a definitive composition moratorium (*provisorische oder definitive Nachlassstundung*), (C) proceedings leading to an emergency moratorium (*Notstundung*), or (D~~) proceedings for a postponement of bankruptcy pursuant to articles 725a or 820 in conjunction with article 725a of the Swiss Code of Obligations (*Konkursaufschub*) or (E~~) any proceedings pursuant to articles 731b or 819 in conjunction with article 731b, articles 736 or 821 and article 939 of the Swiss Code of Obligations which lead to its dissolution or liquidation, or any proceeding having similar effects in force at that time.

ARTICLE II

THE LOANS

Section 2.01 Commitment.

(a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, the Lender agrees to make a single Loan to the Borrowers on the Effective Date, in an aggregate principal amount equal to the Lender's Commitment of forty million Dollars ($40,000,000), with the proceeds to be made available to or for the benefit of the Borrowers in an amount (taking into account the original issue discount applicable to the Loan) of 96% of the principal amount of the Loan in accordance with the Flow of Funds Memorandum.

(b) Any principal amount of the Loan which is repaid or prepaid may not be reborrowed.

(c) The Lender's Commitment shall terminate and be reduced to zero at 5:00 p.m. (New York City time) on the Effective Date.

Section 2.02 Making the Loans.

(a) The Parent shall give the Lender prior telephonic notice of its intention to borrow the Loan hereunder not later than 10:00 a.m. (New York City time) on the date which is one (1) Business Day prior to the Effective Date (or such shorter period as the Lender is willing, in its sole discretion, to accommodate) immediately confirmed in writing, in substantially the form of Exhibit A to the Disclosure Letter (a "Notice of Borrowing") attaching the Flow of Funds Memorandum. Such Notice of Borrowing shall be deemed to have requested the principal amount of the Loan in the full amount of Lender's Commitment of forty million Dollars ($40,000,000), subject to original issue discount as provided in Section 2.01. Each Loan shall be made in Dollars. The Lender may act without liability upon the basis of written, electronic or telephonic notice believed by the Lender in good faith to be from any Borrower (or from an Officer thereof). Each Borrower hereby waives the right to dispute the Lender's record of the terms of any such telephonic notice of borrowing in the absence of manifest error. The Lender shall be entitled to rely conclusively on the authority of any Officer of any Borrower to request a Loan on behalf of the Borrowers.

(b) Each Notice of Borrowing given pursuant to this Section 2.02 shall be irrevocable unless otherwise agreed in writing by the Lender and the Borrowers shall be bound to make a borrowing in accordance therewith.

(c) The Parent and the Lender hereby acknowledge and agree that, for U.S. federal income tax purposes, each Loan together with the Warrants issued herewith shall be treated as a part of an investment unit within the meaning of Section 1273(c)(2) of the Code. In accordance with Section 1273(b)(2) of the Code and Section 1273(c)(2)(A) of the Code, the issue price of the investment unit is equal to the amount of the Loan. The parties shall allocate that issue price among the applicable Loan and the Warrants issued herewith based on their

relative fair market values, as required by Section 1273(c)(2)(B) of the Code and U.S. Treasury Regulations Section 1.1273-2(h)(1) on the issue date of such investment unit.

Section 2.03 Repayment of Loans; Evidence of Debt.

(a) The outstanding unpaid principal amount of the Loan and all accrued and unpaid interest and fees thereon shall be due and payable to the Lender on the Final Maturity Date.

(b) The Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrowers to the Lender resulting from the Loan made by the Lender, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder. The principal amount of the Loan shall be the full stated amount of the Commitment loaned to the Borrowers in accordance with Section 2.01(a) (without giving effect to any original issue discount) less any repayment or prepayment received by the Lender hereunder in accordance with the terms hereof.

(c) The entries made in the accounts maintained pursuant to Section 2.03(b) shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein absent manifest error; provided that the failure of the Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loan or pay interest thereon in accordance with the terms of this Agreement.

(d) The Lender may request that the Loan made or held by the Lender be evidenced by a promissory note. In such event, each Borrower shall execute and deliver to the Lender a promissory note payable to the Lender (or, if requested by the Lender, to the Lender and its registered assigns) in substantially the form of Exhibit B to the Disclosure Letter. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.07) be represented by one or more promissory notes in such form payable to the payee named therein and its registered assigns.

Section 2.04 Interest.

(a) Rate. The Loan shall bear interest on the principal amount thereof from time to time outstanding, from the date such Loan is made until the Loan is fully repaid, at a rate per annum equal to the Interest Percentage.

(b) Default Interest. To the extent permitted by law and notwithstanding anything to the contrary in this Section, upon the occurrence and during the continuance of an Event of Default, and upon written notice to the Parent thereof (other than with respect to any Event of Default of the type contemplated in clauses (a), (g), (h) ~~or~~, (q) or (r) of Section 7.01, as to which no such notice shall be required), the principal of, and all accrued and unpaid interest on, all Loans, fees, indemnities or any other Obligations of the Loan Parties under this Agreement and the other Loan Documents, shall bear interest, from the date such Event of Default occurred (or, if any notice is required pursuant to this clause (b), from the date of such notice is provided) until the date such Event of Default is waived in writing in accordance herewith, at a rate per annum equal at all times to the Post-Default Rate. All interest

and other amounts payable pursuant to this Section 2.04(b) shall be payable in cash and on demand at the election of the Lender.

(c) Interest Payment. Interest on the Loan shall be due and payable quarterly, in arrears, on each Payment Date and on the Final Maturity Date.

(d) Minimum Interest. If a Tax deduction is required by Swiss law to be made by a Swiss Obligor in respect of any interest payable by it under this Agreement and should paragraph (a) of Section 2.07 be unenforceable for any reason, the applicable interest rate in relation to that interest payment shall be (i) the interest rate which would have applied to that interest payment (as provided for in Section 2.04(a)) in the absence of this Section 2.04(d) divided by (ii) one (1) minus the rate at which the relevant Tax deduction is required to be made (where the rate at which the relevant Tax deduction is required to be made is for this purpose expressed as a fraction of one (1) rather than as a percentage) and (a) that the Swiss Obligor shall be obliged to pay the relevant interest at the adjusted rate in accordance with this Section 2.04 and (b) all references to a rate of interest in Section 2.04(a) shall be construed accordingly. No recalculation of interest shall be made under this Section 2.04(d) with respect to a specific Lender if an Event of Default has not occurred or is continuing and the Non-Bank Rules would not have been violated if (i) such Lender which is not a Permitted Non-Qualifying Bank in relation to which the Swiss Obligor makes the payment, was a Qualifying Bank but on that date that Lender is not or has ceased to be a Qualifying Bank other than as a result of any change of law after the date it became a Lender under this Agreement or (ii) such Lender, in relation to which the Swiss Obligor makes the payment, had complied with its obligations under Section 10.07(b).

(e) General. All interest shall be computed on the basis of a year of 360 days for the actual number of days, including the first day but excluding the last day, elapsed and on the basis of the full stated principal amount of the Loan (without giving effect to any original issue discount).

Section 2.05 Prepayment of Loans.

(a) Optional Prepayment.

(i) The Borrowers may, upon at least five (5) Business Days' prior written notice to the Lender (and to the Collateral Agent in the event of a prepayment in full), prepay the principal of the Loan, in whole or in part, by paying to the Lender, in cash, by the date specified in such notice, the principal amount of the Loan to be prepaid specified in such notice. Such notice shall be irrevocable; provided that such notice may be conditioned upon the closing of a new financing, a change of control or other event specified in such notice.

(ii) Each prepayment of outstanding principal made pursuant to this Section 2.05(a) shall be accompanied by the payment of (A) accrued and unpaid interest to the date of such payment on the principal amount of the Loan prepaid, (B) the Premium, if any, payable in connection with such prepayment of the Loan and (C) the applicable Exit Fee in respect of the principal amount being prepaid.

(b) Mandatory Prepayment.Unless refused by the Lender in accordance with clause (vii) below:

(i) Subject to clause (vi) below, within five (5) Business Days of receipt by any Loan Party of cash proceeds in respect of any Disposition permitted under clauses (e), (h) (other than with respect to Dispositions of Equity Interests of the Parent), (n) or (s) of the definition of Permitted Dispositions by any Loan Party, the Borrowers shall apply an amount equal to 100% of the cash proceeds received by such Loan Party in connection with such Disposition to prepay the outstanding principal of the Loan in accordance with clause (v) below to the extent that the aggregate amount of cash proceeds received by all Loan Parties (and not paid to the Lender as a prepayment of the Loan) exceeds [***] in any fiscal year. Nothing contained in this Section 2.05(b)(i) shall permit any Loan Party to make a Disposition of any assets or property other than in accordance with Section 6.05.

(ii) Subject to clause (vi) below, within five (5) Business Days following the date of receipt by Loan Party, or the Lender or the Collateral Agent as loss payee, of any Insurance/Condemnation Proceeds in excess of [***] for any single loss, condemnation, claim or similar event, the Borrowers shall apply an amount equal to 100% of such proceeds to prepay the outstanding principal of the Loan in accordance with clause (v) below, and hereby authorize the Lender to apply such proceeds received by the Lender or the Collateral Agent.

(iii) On the date of Incurrence by any Loan Party of any Indebtedness (other than Indebtedness permitted under Section 6.02), the Borrowers shall apply an amount equal to 100% of the cash proceeds therefrom, net of any underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses, to prepay the outstanding principal of the Loan in accordance with clause (v) below. The provisions of this Section 2.05(b)(iii) shall not be deemed to be implied consent to the Incurrence of any such Indebtedness that is otherwise prohibited by the terms and conditions of this Agreement.

(iv) Subject to clause (vi) below, within five (5) Business Days of receipt by any Loan Party of cash proceeds in respect of any issuance or sale of Equity Interests in any Subsidiary of the Parent (other than any issuance or sale to another Loan Party) in each case, at a price below fair market price, the Borrowers shall apply an amount equal to 100% of such proceeds to prepay the outstanding principal of the Loan in accordance with clause (v) below to the extent that the aggregate amount of cash proceeds received by all Loan Parties (and not paid to the Lender as a prepayment of the Loan) shall exceed [***] in any fiscal year.

(v) Except as otherwise provided in Section 2.05(d), each Dollar of cash proceeds subject to mandatory prepayment made pursuant to this Section 2.05(b) shall be apportioned to the payment of (A) accrued and unpaid interest to the date of such payment on the principal amount of the Loan prepaid, (B) the Premium, if any, payable in connection with such prepayment of the Loan (except with respect to a prepayment made in

accordance with Section 2.05(b)(ii)), (C) the applicable Exit Fee in respect of the principal amount being prepaid and (D) the principal amount of the Loan prepaid.

(vi) Notwithstanding the foregoing, cash proceeds that would otherwise be required to be applied as a mandatory prepayment pursuant to clauses (b)(i), (ii) and (iv) above in any fiscal year (such amount, the "Reinvestment Eligible Funds") shall not be required to be so applied to the extent that such Reinvestment Eligible Funds are used to replace, repair or restore or purchase any assets or property (excluding current assets but including, in the case of Insurance/Condemnation Proceeds, inventory) used or useful in the applicable Loan Party's business; provided, however, that (A) no Default has occurred and is continuing on the date the applicable Loan Party receives such Reinvestment Eligible Funds, (B) the Parent notifies the Lender (the "Reinvestment Notice"), within ten (10) Business Days of receipt of such Reinvestment Eligible Funds, of the intent of the applicable Loan Party to use such Reinvestment Eligible Funds to replace, repair, restore or purchase assets or properties used or useful in such Loan Party's business within a period specified in such notice, not to exceed 180 days after the date of receipt of such Reinvestment Eligible Funds, (C) such Reinvestment Eligible Funds are deposited in an account subject to a Control Agreement, (D) Reinvestment Eligible Funds received in respect of any Disposition permitted under clause (e) or clause (n) of the definition of Permitted Dispositions and so used to replace, repair or restore or purchase any such assets or property shall not exceed [***] in the aggregate and all such cash proceeds in excess thereof shall be applied to prepay the Obligations in accordance with clause (v) above, and (E) all Reinvestment Eligible Funds (other than those referred to in the immediately preceding clause (D) and those constituting Insurance/Condemnation Proceeds in respect of inventory) and so used to replace, repair or restore or purchase any such assets or property shall not exceed [***] in the aggregate and all such cash proceeds in excess thereof shall be applied to prepay the Obligations in accordance with clause (v) above; provided that if all or any portion of such Reinvestment Eligible Funds are not used within the period specified in the Reinvestment Notice, the remaining portion shall be applied to prepay the Obligations in accordance with clause (v) above.

(vii) Not less than three (3) Business Days prior to the date on which the Borrowers are required to make any mandatory prepayment pursuant to this clause (b), the Parent shall notify the Lender (and the Collateral Agent, in the case of a prepayment in full) of the amount of such prepayment and the Lender's option to refuse such prepayment. The Lender may exercise such option by giving written notice to the Parent of its election to do so on or before the first Business Day prior to the date such mandatory prepayment is required (it being understood that if the Lender does not notify the Parent of its election to exercise such option on or before the first Business Day prior to such date, the Lender shall be deemed to have elected, as of such date, not to exercise such option). Unless expressly refused by the Lender in accordance with this clause (vii), the Borrowers shall make each mandatory prepayment by the applicable deadline set forth in this clause (b).

(c) Change of Control Mandatory Prepayment.

(i) The Parent shall provide the Lender and the Collateral Agent at least ten (10) Business Days' prior written notice of a Change of Control (or if ten (10) Business Days' prior written notice is not feasible, the maximum amount of time that is

feasible). Upon the later of such Change of Control and the date that is ten (10) Business Days following such notice, the Borrowers shall prepay the outstanding principal amount of the Loan in full and pay Lender the amounts required in clause (ii) below, unless refused by the Lender pursuant to clause (iii) below.

(ii) Each prepayment of outstanding principal made pursuant to this Section 2.05(c) shall be accompanied by the payment of (A) accrued and unpaid interest to the date of such payment on the amount prepaid, (B) the Premium, if any, payable in connection with such prepayment of the Loan and (C) the applicable Exit Fee in respect of the principal amount being prepaid.

(iii) The Lender may exercise its option to refuse the mandatory prepayment pursuant to this clause (c) by giving written notice to the Parent of its election to do so on or before the fifth (5th) Business Day after receipt of the notice required by the foregoing clause (c)(i) (it being understood that if the Lender does not notify the Parent of its election to exercise such option by such date, the Lender shall be deemed to have elected, as of such date, not to exercise such option). Unless expressly refused by the Lender in accordance with this clause (iii), the Borrower shall make the mandatory prepayment by the deadline set forth in this clause (c).

(d) Application of Payments. After the occurrence and during the continuance of an Event of Default, if the Lender has elected to apply payments and other Proceeds of Collateral in accordance with Section 3.02(a), prepayments required under Section 2.05(b) shall be applied in the manner set forth in Section 3.02(a).

(e) Cumulative Prepayments. Except as otherwise expressly provided in this Section 2.05, payments with respect to any subsection of this Section 2.05 are in addition to payments made or required to be made under any other subsection of this Section 2.05.

Section 2.06 Premium ~~&~~and Fees.

(a) Premium and Exit Fee. In the event of (i) an optional prepayment of the Loan pursuant to Section 2.05(a), (ii) a mandatory prepayment of the Loan pursuant to Section 2.05(b) or Section 2.05(c), (iii) the repayment of the Loan on the Final Maturity Date (including pursuant to Section 2.03(b)), (iv) any other payment of the Loan, or any application of proceeds thereto or other reduction in principal amount thereof, prior to, on or after the Final Maturity Date, for any reason, (other than, for the avoidance of doubt, scheduled payment of interest on each Payment Date) including (A) any acceleration of the Loans upon the election of the Lender after the occurrence and during the continuation of an Event of Default (or, in the case of the occurrence of any Event of Default described in Section 7.01(g), Section 7.01(h) or Section 7.01(q), automatically upon the occurrence thereof), (B) any foreclosure and sale of Collateral, (C) the sale of Collateral in any Insolvency Proceeding, or (D) any reorganization, compromise or restructuring of the Obligations by the confirmation of a plan of reorganization or any other plan of compromise, restructure or arrangement in any Insolvency Proceeding, then, in view of the impracticability and extreme difficulty of ascertaining the actual amount of damages to the Lender or profits lost by the Lender as a result of such prepayments, repayments, payments, applications or reductions, and by mutual agreement of the parties as to a reasonable

estimation and calculation of the lost profits or damages of the Lender, the Borrowers shall pay to the Lender, for the account of the Lender, the Premium, if any, measured as of the date of any such prepayment, repayment, payment, application or reduction, as applicable, and an applicable Exit Fee in respect of the principal amount being prepaid, repaid, paid, applied or reduced. Each of the Premium and the Exit Fee shall be deemed fully earned as of the Effective Date. Notwithstanding the foregoing, no Premium shall be required to be paid to the Lender in connection with any mandatory prepayment resulting from casualty or condemnation events pursuant to Section 2.05(b)(ii).

(b) Loan Origination Fee. On the Effective Date, the Borrowers shall pay to the Lender a non-refundable loan origination fee equal to two million Dollars ($2,000,000), which shall be deemed fully earned when paid and which may be paid by netting the amount of such fee against the proceeds of the Loan (after giving effect to the original issue discount applicable to the Loan) as set forth in the Flow of Funds Memorandum.

(c) General. All premiums (including the Premium) and the Exit Fee shall be computed on the basis of the full stated principal amount of the Loan then outstanding (without giving effect to any original issue discount).

Section 2.07 Taxes.

For purposes of this Section 2.07, the term "applicable law" includes FATCA.

(a) Any and all payments by or on account of any obligation of any Loan Party hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any and all Taxes, except as required by applicable law or as otherwise provided in this Section 2.07. If any applicable law requires the deduction or withholding of any Tax from any such payment by a Withholding Agent (as determined in the good faith discretion of the applicable Withholding Agent), then the applicable Withholding Agent shall be entitled to make such deduction or withholding in the minimum amount required by law and shall within the time period and in the amount required by law pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions or withholdings applicable to additional sums payable under this Section 2.07(a)) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made. A Lender shall promptly notify the Withholding Agent on becoming aware that applicable law requires the deduction or withholding of any Tax from any such payment in respect of a payment payable to that Lender (or that there is a change in the rate or the basis of any such Tax deduction or withholding).

(b) In addition, each Loan Party shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law (or, at the option of the Collateral Agent or the Lender, as applicable, timely reimburse it for the payment of any Other Taxes).

(c) Without duplication of any obligation under Section 2.07(a), the Loan Parties shall jointly and severally indemnify each Recipient, within 30 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.07) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Parent by or on behalf of a Lender shall be conclusive absent manifest error.

(d) As soon as practicable after the payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.07, such Loan Party or the Parent shall, if requested by the Lender, deliver to the Lender the original or a copy of a receipt, if any, issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(e) (i) Any Lender that is entitled to an exemption from or a reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Parent, at the time or times reasonably requested by the Parent (or, with respect to UK Withholding Taxes, deliver to the Bermuda Borrower and the English Borrower or submit to the appropriate Governmental Authority (as relevant) within twenty (20) days after a written request by the Borrower, or, with respect to Irish Withholding Taxes, deliver to the Irish Borrower or submit to the appropriate Governmental Authority (as relevant) within twenty (20) days after a written request by the Irish Loan Party), such properly completed and executed documentation reasonably requested by the Parent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Parent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Parent, that will enable the Parent or applicable Loan Party to determine whether or not such Lender is subject to information reporting or U.S. federal backup withholding requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of any such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Notwithstanding anything to the contrary herein, a UK Treaty Lender shall be deemed to have satisfied the requirements of Section 2.07(e) if such Lender has either (x) notified each of the Borrowers in writing of its passport scheme reference number under the HMRC treaty passport scheme on or before the date such Lender becomes party to this Agreement; or (y) submitted an application for withholding tax relief that is correct and valid in all respects under the applicable income tax treaty to the appropriate tax authority and has sent a copy of such application to the Borrowers, in each case without regard to whether any direction required from HMRC has been obtained provided that, section 2.07(e)(ii)(y) shall cease to apply to the extent that HMRC has rejected the application referred to in (y) above, for whatever reason. The Parent shall duly complete and file HM Revenue & Customs Form DTTP2 in respect of the Loans (together with any other procedural formalities necessary to qualify for exemption from UK Withholding Tax) as soon as reasonably practicable following

the date of this Agreement (or in respect of any subsequent Lender who is a UK Treaty Lender as soon as reasonably practicable following such Lender's satisfaction of Section 2.07(e)(ii)(x)) and shall promptly deliver a copy of such filing to the Lender. The English Borrower and any other Borrower that is a UK tax resident shall duly complete and file HM Revenue & Customs Form DTTP2 in respect of the Loans (together with any other procedural formalities necessary to qualify for exemption from UK Withholding Tax) as soon as reasonably practicable following the date on which it becomes aware that it may be required to pay interest to the original Lender (or any subsequent Lender who is a UK Treaty Lender) on the Loans.

(f) The Lender agrees that if any form or certification it previously delivered to the Borrowers or to any tax authority (including, for the avoidance of doubt, any Lender's HMRC passport scheme reference number under the HMRC treaty passport scheme, in accordance with Section 2.07(e)(ii) or any confirmation under Section 2.07(h) or (i)) expires or becomes obsolete, invalid or inaccurate in any respect, it shall update such form or certification or promptly notify the Parent in writing of its legal inability to do so.

(g) If a payment made to a Lender under any Loan Document would be subject to withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Parent at the time or times prescribed by Law and at such time or times reasonably requested by the Parent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Parent as may be necessary for the Parent to comply with their obligations under FATCA and to determine that such Lender has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) Each Lender which becomes a party to this Agreement after the Effective Date shall confirm, prior to becoming party to such Agreement, for the benefit of the Borrower and without liability to any Loan Party, which of the following categories it falls in:

(i) not a Qualifying Bank; or

(ii) a Qualifying Bank.

(i) Each Lender shall confirm in writing in this Agreement (or, for any assignee, in the relevant Assignment and Acceptance), on or prior to becoming a party to this Agreement, to the Borrower, and without liability to any Loan Party, which of the following categories it falls in:

(i) UK Non-Treaty Lender (and an explanation of why it is a UK Non-Treaty Lender);

(ii) UK Treaty Lender (and, if the UK Treaty Lender holds a passport under the HMRC DT Treaty Passport scheme, and wishes that scheme to apply to this

Agreement, shall also confirm its passport scheme reference number and its jurisdiction of tax residence); or

(iii) None of the above.

(j) All amounts expressed to be payable under a Loan Document by any Loan Party to a Lender which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, if VAT is or becomes chargeable on any supply made by any Lender to any Loan Party under a Loan Document and such Lender is required to account to the relevant tax authority for the VAT, that Loan Party must pay to such Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Lender must promptly provide an appropriate VAT invoice to that Loan Party).

(i) Where a Loan Document requires any Loan Party to reimburse or indemnify a Lender for any cost or expense, that Loan Party shall reimburse or indemnify (as the case may be) such Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(ii) Any reference in this Clause 2.07(j) to any Loan Party shall, at any time when such Loan Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994 or any other similar provision in equivalent VAT legislation in any other Borrower jurisdiction).

(iii) In relation to any supply made by a Lender to any Loan Party under a Loan Document, if reasonably requested by such Lender, that Loan Party must promptly provide such Lender with details of that Loan Party's VAT registration and such other information as is reasonably requested in connection with such Lender's VAT reporting requirements in relation to such supply.

(k) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.07 (including by the payment of additional amounts pursuant to this Section 2.07) or if a UK Treaty Lender has received a Treaty Rebate in accordance with Section 2.07(l) as to which additional amounts have been paid to such UK Treaty Lender, it shall pay to the indemnifying party an amount equal to such refund or Treaty Rebate (but only to the extent of indemnity payments made, or additional amounts paid, under this Section 2.07 with respect to the Taxes giving rise to such refund or Treaty Rebate), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid or credited by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (k) (plus any penalties, interest or other

charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund or Treaty Rebate to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (k), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (k) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund or Treaty Rebate had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

(l) If a deduction of UK Withholding Tax is required by law to be made by a Loan Party to a UK Treaty Lender and such deduction is made and the Loan Party pays additional amounts to the UK Treaty Lender, in each case in accordance with Section 2.07(a), but the UK Treaty Lender is entitled to a repayment or rebate of the relevant UK Withholding Tax (a "Treaty Rebate"), by virtue of a relevant treaty, the UK Treaty Lender shall as soon as reasonably practicable following the written request to do so from the Loan Party, claim that Treaty Rebate; provided that the Loan Party shall be responsible for and indemnify the UK Treaty Lender on an after-tax basis for all costs and expenses (including legal and accounting fees) incurred by such UK Treaty Lender in connection with claiming the Treaty Rebate; provided further that a UK Treaty Lender shall not be required to claim a Treaty Rebate if in the UK Treaty Lender's reasonable judgment claiming such Treaty Rebate would subject such UK Treaty Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such UK Treaty Lender.

(m) If in respect of a Loan extended to the Initial Borrowers, (A) a Lender assigns or transfers any of its rights or obligations with respect to such Loan or changes its lending office in respect of such Loan, and (B) as a result of circumstances existing at the date the assignment, transfer or change occurs, the Borrowers would be obliged to make a payment (or increased payment) to the successor or assign or Lender acting through its new lending office under this Section 2.07 in respect of Taxes, then such successor or assign or Lender acting through its new lending office is only entitled to receive payment under this Section 2.07 to the same extent as the assigning or transferring Lender or Lender acting through its previous lending office would have been if the assignment, transfer or change had not occurred except to the extent of a Change in Law after such assignment, transfer or change.

(n) The Loan Parties shall not be obligated to gross up any payments to any Lender or to indemnify any Lender party pursuant to this Section 2.07, to the extent imposed as a result of (i) the failure of such Lender to deliver to the Parent (or other Loan Parties, as applicable) the forms or other documentation, as applicable to such Lender, as required pursuant to this Section 2.07, or (ii) certifications made in such forms, notifications or other documentation being untrue or inaccurate on the date delivered in any material respect; provided, however, that the Loan Parties shall be obligated to gross up any payments to any such Lender or to indemnify any such Lender pursuant to this Section 2.07 if any such failure to deliver a form, notification or other documentation or the failure of such form, notification or other documentation to establish a complete exemption from or reduction in applicable withholding Tax or inaccuracy or untruth contained therein resulted from a Change in Law occurring after the date on which such Lender became a Lender hereunder, which change

rendered such Lender no longer legally entitled to deliver such form, notification or other documentation or otherwise no longer eligible for a complete exemption from or reduction in the applicable withholding Tax or rendered the information or certifications made in such form, notification or other documentation untrue or inaccurate in a material respect.

(o) Each Lender shall confirm in writing, prior to the payment date for any payment by an Irish Loan Party, which of the following categories it falls in:

(i) an Irish Treaty Lender;

(ii) a Irish Non-Treaty Lender;

(iii) neither an Irish Treaty Lender nor an Irish Non-Treaty Lender; and/or

(iv) it will become either an Irish Treaty Lender or an Irish Non-Treaty Lender on completion of certain procedural formalities.

(p) If a Lender fails to indicate its status in accordance with paragraph (o) above, until such time as that Lender has provided the relevant notifications to the Withholding Agent and the Irish Loan Party, the Withholding Agent and any Irish Loan Party shall be entitled to treat such Lender as not being an Irish Treaty Lender nor an Irish Non-Treaty Lender for all purposes under the Loan Documents.

(q) Following a request an Irish Loan Party in writing, a Lender shall provide to that Irish Loan Party any correct, complete and accurate information reasonably requested and available to the Lender necessary for that Irish Loan Party to comply with its obligations under Sections 891A, 891F and 891G TCA.

(r) The Lender and the Borrowers agree that the original Lender may provide confirmations and notifications under Section 2.07 as of the Effective Date pursuant to Schedule 2.07 and with respect to any subsequent Lender in an Assignment and Acceptance and that Schedule 2.07 and any Assignment and Acceptance will serve as confirmations and notifications under Section 2.07 to each Borrower.

(s) Each party's obligations under this Section 2.07 shall survive any assignment of rights by, or the replacement of, a Lender, the termination of the Commitment and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 2.08 Increased Costs and Reduced Return

(a) If the Lender shall have determined that any Change in Law shall (i) subject the Lender to any Taxes with respect to this Agreement or any Loan made by the Lender (other than Taxes that are (A) Indemnified Taxes, (B) Taxes described in any of clauses (b) through (f) of the definition of Excluded Taxes or (C) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against any Loan or against assets of or held by, or deposits with or for the

account of, or credit extended by, the Lender or any Person controlling the Lender or (iii) impose on the Lender or any Person controlling the Lender any other condition regarding this Agreement or any Loan, and the result of any event referred to in clauses (i), (ii) or (iii) above shall be to increase the cost to the Lender of making or maintaining any Loan, or agreeing to make any Loan, or to reduce any amount received or receivable by the Lender for making or maintaining any Loan, or agreeing to make any Loan, or to reduce any amount received or receivable by the Lender hereunder, then, upon demand by the Lender, the Parent shall pay to the Lender such additional amounts as will compensate the Lender for such increased costs or reductions in amount.

(b) If the Lender shall have, in good faith, reasonably determined that any Change in Law either (i) affects or would affect the amount of capital required or expected to be maintained by the Lender or any Person controlling the Lender, and the Lender determines that the amount of such capital is increased as a direct or indirect consequence of any Loans made or maintained, the Lender's or such other controlling Person's other obligations hereunder, or (ii) has or would have the effect of reducing the rate of return on the Lender's such other controlling Person's capital to a level below that which the Lender or such controlling Person could have achieved but for such circumstances as a consequence of any Loans made or maintained, or any agreement to make Loans, or the Lender's or such other controlling Person's other obligations hereunder (in each case, taking into consideration, the Lender's or such other controlling Person's policies with respect to capital adequacy), then, upon demand by the Lender, the Parent shall pay to the Lender from time to time such additional amounts as will compensate the Lender for such cost of maintaining such increased capital or such reduction in the rate of return on the Lender's or such other controlling Person's capital.

(c) All amounts payable under this Section 2.08 shall bear interest from the date that is 10 days after the date of demand by the Lender until payment in full to the Lender at a rate per annum equal to the Interest Percentage. A reasonably detailed document of the Lender claiming compensation under this Section 2.08, specifying the event herein above described and the nature of such event shall be submitted by the Lender to the Parent, setting forth the additional amount due and an explanation of the calculation thereof, and the Lender's reasons for invoking the provisions of this Section 2.08, and shall be final and conclusive absent manifest error.

(d) The Lender shall give prompt notice to Borrower of any claim for additional amounts pursuant to this Section 2.08; provided, that any failure or delay on the part of the Lender to demand compensation pursuant to the foregoing provisions of this Section 2.08 shall not constitute a waiver of the Lender's right to demand such compensation; provided that the Parent shall not be required to compensate the Lender pursuant to the foregoing provisions of this Section 2.08 for any increased costs incurred or reductions suffered more than six months prior to the date that the Lender notifies the Parent of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) The obligations of the Loan Parties under this Section 2.08 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

ARTICLE III

APPLICATION OF PAYMENTS

Section 3.01 Payments; Computations and Statements. The Borrowers will make each payment under this Agreement not later than 12:00 noon (New York City time) on the day when due, in Dollars and in immediately available funds, to the Loan Account. All payments received by the Lender after 12:00 noon (New York City time) on any Business Day will be credited to the Loan Account on the next succeeding Business Day. Subject to Section 2.07, all payments shall be made by the Borrowers without set-off, counterclaim, recoupment, deduction or other defense (other than payment in full) to the Lender. Whenever any payment to be made under any such Loan Document shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall in such case be included in the computation of interest or fees, as the case may be. All computations of fees shall be made by the Lender on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such fees are payable. Each determination by the Lender of an interest rate or fees hereunder shall be conclusive and binding for all purposes in the absence of manifest error.

Section 3.02 Apportionment of Payments.

(a) Except as otherwise expressly provided herein or as previously agreed with the Lender in writing, the Lender shall apply all payments in respect of any Obligations and proceeds of the Collateral, subject to the provisions of this Agreement (i) first, ratably to pay the Obligations in respect of any fees, expense reimbursements, indemnities and other amounts then due and payable to the Collateral Agent until paid in full; (ii) second, ratably to pay the Obligations in respect of any fees, expense reimbursements, indemnities and other amounts then due and payable to the Lender until paid in full; (iii) third, ratably to pay interest then due and payable in respect of the Loans until paid in full; (iv) fourth, ratably to pay principal of the Loans and the Obligations in respect of the Premium, if any, and the Exit Fee then due and payable to the Lender until paid in full; (v) fifth, to the ratable payment of all other Obligations then due and payable until paid in full; and (vi) sixth, to Borrower or such other Person entitled thereto under applicable law (as determined by the Lender in its reasonable judgment or as directed by a court of competent jurisdiction).

(b) In each instance, so long as no Event of Default has occurred and is continuing and except as otherwise expressly provided herein, Section 3.02(a) shall not be deemed to apply to any payment by the Borrowers specified by the Borrowers to the Lender to be for the payment of Obligations then due and payable under any provision of this Agreement or the prepayment of all or part of the principal of the Loan in accordance with the terms and conditions of Section 2.05.

(c) For purposes of Section 3.02(a) (other than clause (iv) thereof), "paid in full" means, with respect to any Obligations, payment in cash of all amounts owing under the Loan Documents in respect of such Obligations, including, as applicable, loan fees, exit fees, service fees, professional fees, interest (and specifically including interest accrued after the commencement of any Insolvency Proceeding), default interest, interest on interest, principal, premium, expense reimbursements and indemnities, except to the extent that default or overdue interest (but not any other interest) and fees, each arising from or related to a default, are disallowed in any Insolvency Proceeding; provided, however, that for the purposes of clause (iv), "paid in full" means payment in cash of all amounts owing under the Loan Documents in respect of such Obligations according to the terms thereof, including, as applicable, loan fees, exit fees, service fees, professional fees, interest (and specifically including interest accrued after the commencement of any Insolvency Proceeding), default interest, interest on interest, principal, premium, expense reimbursements and indemnities (specifically including in each case of the foregoing which would accrue after the commencement of any Insolvency Proceeding), whether or not the same would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(d) In the event of a direct conflict between the priority provisions of this Section 3.02 and other provisions contained in any other Loan Document, it is the intention of the parties hereto that both such priority provisions in such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 3.02 shall control and govern.

ARTICLE IV

CONDITIONS TO LOANS

Section 4.01 Conditions Precedent to Effectiveness. The Commitment shall become effective as of the Business Day (the "Effective Date") when each of the following conditions precedent shall have been satisfied in a manner satisfactory to the Lender or waived by the Lender:

(a) Payment of Fees, etc. The Borrowers shall have paid (or made arrangements to have paid) on or before the Effective Date all fees, costs and expenses then payable pursuant to Section 2.06 and Section 10.04, including the fees, costs and expenses set forth in the Flow of Funds Memorandum.

(b) Representations and Warranties; No Default. The following statements shall be true and correct as of the Effective Date: (i) the representations and warranties contained in Article V of this Agreement and in each other Loan Document, certificate or other writing delivered to the Lender pursuant hereto or thereto on or prior to the date of such Loan are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date, except to the extent

that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date), and (ii) no Default shall have occurred and be continuing on the Effective Date or would result from this Agreement or the other Loan Documents becoming effective in accordance with its or their respective terms.

(c) Legality. The making of the Loan and the pledge of Collateral shall not contravene any law, rule or regulation applicable to any Loan Party or the Lender.

(d) Delivery of Documents. The Lender shall have received on or before the Effective Date the following, each in form and substance satisfactory to the Lender and, unless indicated otherwise, dated the Effective Date and, if applicable, duly executed by the Persons party thereto:

(i) this Agreement, duly executed by each of the parties thereto;

(ii) each Security Document, duly executed by the applicable Loan Party and each other Person to be party thereto;

(iii) financing statements in form appropriate for filing (on Form UCC-1 or otherwise) in such office or offices as may be necessary or, in the sole discretion of the Lender, desirable to perfect the security interests purported to be created by each Security Document (to the extent such security interest can be perfected by the filing of such financing statements);

(iv) the delivery to the Collateral Agent (or its designee) of any certificates evidencing Equity Interests in each Loan Party (other than the Parent), together with appropriate endorsements;

(v) the results of searches for any effective UCC financing statements, tax Liens, judgment Liens, bankruptcy filings or other court proceedings, as the Lender shall have reasonably requested, filed against or naming any Loan Party or its property, which results shall not show any such Liens (other than Permitted Liens acceptable to the Lender) or bankruptcy filings or other court proceedings (other than court proceedings acceptable to Lender);

(vi) a Perfection Certificate, duly executed by each Loan Party and completed in a manner reasonably satisfactory to the Lender;

(vii) the Flow of Funds Memorandum;

(viii) the Warrants (contemporaneously with the closing on the Effective Date);

(ix) the Senior Lender Intercreditor Agreement;

(x) a copy of the resolutions of each Loan Party, certified as of the Effective Date by an Officer thereof, authorizing (A) the borrowings hereunder and the transactions contemplated by the Loan Documents and the other Transactions to which such Loan Party is or will be a party and (B) the execution, delivery and performance by such Loan Party of each Loan Document to which such Loan Party is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith;

(xi) a certificate of an Officer of each Loan Party, certifying the names and true signatures of the Officers of such Loan Party authorized to sign each Loan Document to which such Loan Party is or will be a party and the other documents to be executed and delivered by such Loan Party in connection herewith and therewith, together with evidence of the incumbency of such Officers;

(xii) a certificate of the appropriate official(s) of the jurisdiction of organization and, except to the extent the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect, each jurisdiction of foreign qualification of each Loan Party, other than in the case of the English Borrower and the Irish Borrower, certifying as of a recent date not more than 30 days prior to the Effective Date as to the subsistence in good standing or qualification of such Loan Party in such jurisdictions;

(xiii) a true and complete copy of the charter or bye-laws, certificate of formation or incorporation, certificate of limited partnership or other publicly filed Governing Document of each Loan Party (as applicable), other than in the case of the Irish Borrower, certified as of a recent date not more than 30 days prior to the Effective Date by an appropriate official of the jurisdiction of organization of such Loan Party which shall set forth the same complete name of such Loan Party as is set forth herein and the organizational number of such Loan Party, if an organizational number is issued in such jurisdiction and it is common practice in such jurisdiction for such document to contain the organizational number;

(xiv) a copy of the Governing Documents of each Loan Party, together with all amendments thereto, certified as of the Effective Date by an Officer of such Loan Party;

(xv) an opinion of Cooley LLP counsel to the Loan Parties as to such matters as the Lender may reasonably request;

(xvi) a capacity opinion of Cooley (UK) LLP counsel to the Loan Parties;

(xvii) an enforceability opinion of TLT LLP counsel to the Lender;

(xviii) an opinion of VISCHER AG counsel to the Loan Parties as to such matters as the Lender may reasonably request;

(xix) an opinion of Conyers Dill & Pearman Limited, counsel to the Loan Parties as to such matters as the Lender may reasonably request;

(xx) a capacity opinion of A&L Goodbody, counsel to the Loan Parties;

(xxi) an enforceability opinion of Matheson, counsel to the Lender;

(xxii) a certificate of an Officer of each Loan Party, certifying as to the matters set forth in Section 4.01(b), (e), (f) and (g);

(xxiii) a certificate of the principal financial or accounting officer of the Parent, certifying as to the solvency of the Loan Parties taken as a whole after giving effect to the Transactions, which certificate shall be in form and substance reasonably acceptable to the Lender;

(xxiv) evidence of the insurance coverage required by Section 5.21 and the terms of each Security Document, in each case, with such endorsements as to the named insured or lender loss payees thereunder as the Lender may request and providing that such policy may be terminated or canceled (by the insurer or the insured thereunder) only upon 30 days' prior written notice to the Lender and each such named insured or lender loss payee, together with evidence of the payment of all premiums due in respect thereof for such period as the Lender may reasonably request;

(xxv) certificates of an Officer of each Borrower, certifying the names and true signatures of the persons that are authorized to provide Notices of Borrowing and all other notices under this Agreement and the other Loan Documents;

(xxvi) the consolidated financial statements of the Parent referred to in Section 5.14(a) and (b);

(xxvii) the Projections referred to in Section 5.14(c); and

(xxviii) such other agreements, instruments, approvals, and other documents, each satisfactory to the Lender in form and substance, as the Lender may reasonably request in advance, including in respect of any "know-your-customer" requirements, Anti-Money Laundering Laws and Anti-Corruption Laws.

(e) Material Adverse Effect. No event or development shall have occurred since March 31, 2020 which has had a Material Adverse Effect.

(f) Approvals. All consents, authorizations and approvals of, and filings and registrations with, and all other actions in respect of, any Governmental Authority or other Person required in connection with the Transactions or the conduct of the Loan Parties' business shall have been obtained and shall be in full force and effect, including the requisite consent of NovaQuest under the NovaQuest Funding Agreement.

(g) No Claims. There shall exist no claim, action, suit, investigation, litigation or proceeding (including shareholder or derivative litigation), threatened in writing or pending in any court or before any arbitrator or Governmental Authority which could reasonably be expected to have a Material Adverse Effect.

(h) Pay-off. The Parent shall have made arrangements in form and substance satisfactory to Lender to pay in full the Hercules Credit Facility on or prior to the Effective Date from the proceeds of the Loan (net of any original issue discount, fees and expenses), terminate the Hercules Credit Facility and ensure the prompt release of collateral thereunder.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to the Lender and the Collateral Agent as follows:

Section 5.01 Organization; Power; Authorization; Enforceability. Except as set forth on Schedule 5.01 to the Disclosure Letter, each Loan Party has been duly organized or incorporated (as applicable), is validly existing and is in good standing under the Laws of its jurisdiction of organization or incorporation (as applicable and only to the extent such concept exists in its jurisdiction of incorporation) and has obtained all licenses, permits, franchises and other governmental authorizations necessary to carry on its business as now being conducted, except where the failure to have obtained such licenses, permits, franchises and other governmental authorizations would not reasonably be expected to have a Material Adverse Effect. Each Loan Party is duly licensed or qualified to do business in good standing in each jurisdiction in which such license or qualification is required by Law for the business it is now conducting except where the failure to be so licensed or qualified would not reasonably be expected to have a Material Adverse Effect. Each Loan Party has the requisite corporate power and authority to own, lease or operate the properties and assets it purports to own, lease or operate, to carry on its business as presently conducted and to execute, deliver and perform its obligations under each Loan Document to which it is a party except where the failure to have such power and authority to own, lease or operate such properties and assets and carry on such business would not reasonably be expected to have a Material Adverse Effect. Each Loan Document to which any Loan Party is a party has been duly authorized, executed and delivered by such Loan Party and constitutes the valid, legally binding and, assuming due authorization, execution and delivery by all other parties thereto (subject to the Perfection Requirements and general equitable principles, insolvency, liquidation, reorganization and other Laws of general application relating to creditors' rights and, in the case of each Irish Loan Party, to the Legal Reservations), enforceable obligation of such Loan Party.

Section 5.02 Governmental and Third Party Authorizations. No exemption from, notice to, registration, filing or declaration with, or consent, approval or authorization of, any Governmental Authority or any other Person is required in connection with (a) the execution or delivery by any Loan Party of any Loan Document to which it is a party or the performance of obligations by any Loan Party under any Loan Document to which it is a party, (b) the

transactions contemplated by the Loan Documents, (c) the grant by any Loan Party of any security interest or other Lien granted or purported to be granted by it pursuant to the Security Documents or (d) the perfection of the Liens created under the Security Documents, other than (i) such exemptions, notices, registrations, filings, declarations, consents, approvals and authorizations as shall have been taken, given, made or obtained and are in full force and effect as of the First Amendment Effective Date, in each case, as set forth in Schedule 5.02 to the Disclosure Letter, (ii) such filings required to be made after the First Amendment Effective Date under applicable federal, state and foreign securities Laws, including applicable state "blue sky" filings, (iii) the filing of financing statements under the UCC, recordings of mortgages, recordings with the PTO and any other recordings (including in any applicable non-U.S. jurisdiction) required to perfect, or maintain perfection of, a security interest in the Collateral (including under section 409 of the Companies Act 2014 of Ireland), and (iv) such exemptions, notices, registrations, filings, declarations, consents, approvals and authorizations, as the case may be, the failure of which to take, give, make or obtain would not have a Material Adverse Effect.

Section 5.03 No Conflicts. The execution and delivery by each Loan Party of each Loan Document to which it is a party, the performance of obligations by each Loan Party under each Loan Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (a) contravene the terms of the Governing Documents of any Loan Party, (b) violate any Law, determination or award applicable to any Loan Party or its properties or assets, (c) conflict with or result in the breach of, or constitute a default, result in the acceleration of any obligation or require any payment to be made under, any agreement binding on any Loan Party or any of its properties or assets or (d) result in or require the creation or imposition of any Lien (other than any Permitted Lien) upon or with respect to any of the properties or assets of any Loan Party, except in the case of clause (b), clause (c) and clause (d) where such violation, conflict, breach, default, acceleration, payment, creation or imposition would not reasonably be expected to have a Material Adverse Effect.

Section 5.04 Compliance with Laws. Each Loan Party is in compliance with the Laws applicable to it or to its properties or assets, except in such instances in which the failure to comply therewith, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 5.05 No Material Adverse Change. Since March 31, 2020, there has not been (a) any material adverse change in the business, properties, financial condition or operations of the Loan Parties taken as a whole, (b) any transaction that is material to the Loan Parties taken as a whole, (c) any obligation or liability, direct or contingent (including any off-balance sheet obligation), incurred by any Loan Party that is material to the Loan Parties taken as a whole, (d) except as set forth on Schedule 5.05 to the Disclosure Letter, any material change in the share capital, capital stock or outstanding indebtedness of any Loan Party or (e) any dividend or distribution of any kind declared, paid or made on the share capital or capital stock of any Loan Party.

Section 5.06 Equity Interests. Schedule 5.06 to the Disclosure Letter sets forth a complete and accurate list, as of the First Amendment Effective Date, of the ownership of each Loan Party's Equity Interests, the address of each Loan Party's principal place of business and

each Loan Party's U.S. taxpayer identification number. All of the outstanding Equity Interests in each of the Loan Parties (other than the Parent) have been duly authorized and validly issued and are fully paid and non-assessable. The Parent does not have any Subsidiaries other than the Loan Parties.

Section 5.07 Investment Company Act Matters. Before and after giving effect to the Transactions, no Loan Party will be an "investment company" or "controlled" by an "investment company" within the meaning of the Investment Company Act.

Section 5.08 Use of Proceeds; Margin Regulations. No part of the proceeds from the Loans pursuant to the Loan Documents will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of purchasing or carrying or trading in any securities under such circumstances as to involve any Loan Party in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). No Loan Party is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221). As used in this Section 5.08, the terms "margin stock" and "purpose of purchasing or carrying" shall have the meanings ascribed to them in said Regulation U.

Section 5.09 Compliance with ERISA. Each Plan maintained by each Loan Party has been operated and administered in compliance with all applicable Laws except in such instances in which the failure to comply therewith, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No Loan Party nor any ERISA Affiliate has incurred any liability or penalty pursuant to Title I or IV of ERISA or (with respect to its Plans) pursuant to the Code, and there are no pending or, to the Knowledge of the Loan Parties, threatened claims, actions or lawsuits by any Governmental Authority with respect to any Plan maintained by such Loan Party, except, in each case, as would not reasonably be expected to have a Material Adverse Effect. No Loan Party nor any ERISA Affiliate currently maintains, or has in the last six years maintained, a pension plan that is subject to Title IV of ERISA. No Loan Party maintains, operates or administers any Plans that cover employees, officers, directors or independent contractors located primarily outside of the United States or Switzerland. The execution and delivery of this Agreement and the transactions contemplated hereby and under the other Loan Documents will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax could be imposed pursuant to Sections 4975(c)(1)(A)-(D) of the Code.

Section 5.10 Tax Matters. Each Loan Party is a corporation for U.S. federal income tax purposes and has never filed any tax return or related report under any name other than its legal name at the time of filing. Each Loan Party has (a) timely filed or caused to be timely filed all material tax returns required by Law to be filed and all such tax returns are true and correct in all material respects and (b) duly and timely paid or caused to be timely paid all material taxes, assessments, governmental fees and other governmental charges levied or imposed upon it or its properties, assets or income otherwise due and payable, except (i) those that are being contested in good faith by appropriate action and for which adequate reserves have been provided in accordance with GAAP or (ii) to the extent that the failure to do so could not

reasonably be expected to have a Material Adverse Effect. There is no pending or, to the Knowledge of the Loan Parties, proposed tax assessment, deficiency or audit against any Loan Party. No Loan Party has any outstanding tax liens (other than Permitted Liens).

Section 5.11 No Defaults. On the First Amendment Effective Date, there exists no Event of Default or any event that would constitute a Default or an Event of Default under this Agreement.

Section 5.12 Absence of Litigation. Except as set forth on Schedule 5.12 to the Disclosure Letter, there are no actions, suits, proceedings, claims, disputes or investigations at law or in equity, in arbitration or before any Governmental Authority pending or, to the Knowledge of the Loan Parties, threatened (in writing) against any Loan Party that (a) seek to prevent, alter or delay the consummation of the transactions contemplated by the Loan Documents or (b) individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.13 Solvency. No step ~~has been taken or~~ is currently intended to be taken by any Loan Party or, to the Knowledge of the Loan Parties, any other Person for the winding-up, liquidation, dissolution, administration, merger or consolidation or for the appointment of a receiver or administrator of such Loan Party or all or any of such Loan Party's properties or assets. Immediately after ~~the consummation of the other~~giving effect to the First Amendment Transactions on the First Amendment Effective Date, no Loan Party will be rendered insolvent within the meaning of 11 U.S.C. 101(32), the Insolvency Act 1986 or any other applicable insolvency laws or regulations or be unable to pay its debts as they mature.

Section 5.14 Financial Statements; Projections.

(a) The audited financial statements of the Parent for the years ended March 31, ~~2020~~2023, March 31, ~~2019~~2022 and March 31, ~~2018~~2021 have been delivered to the Lender and (A) were prepared in accordance with GAAP consistently applied throughout the periods covered thereby except as disclosed in the notes thereto and (B) fairly present, in all material respects, the financial condition of the Parent and its Subsidiaries on a consolidated basis as of the dates thereof and the results of operations of the Parent and its Subsidiaries on a consolidated basis for the periods covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby except as disclosed in the notes thereto.

(b) The unaudited financial statements of the Parent for the quarters ended June 30, ~~2020~~2023, September 30, ~~2020~~2023 and December 31, ~~2020~~2023 (A) were prepared in accordance with GAAP consistently applied throughout the periods covered thereby except as disclosed in the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP and (B) fairly present, in all material respects, the consolidated financial condition of the Parent and its Subsidiaries on a consolidated basis as of the dates thereof and the consolidated results of operations of the Parent and its Subsidiaries on a consolidated basis for the periods covered thereby and in accordance with GAAP consistently applied throughout the periods covered thereby except for normal ~~yearend~~year-end adjustments

and as disclosed in the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP.

(c) On and as of the First Amendment Effective Date, the Projections are based on good faith estimates and assumptions made by the management of the Parent believed to be reasonable at the time made; provided, however, that the Projections are not to be viewed as facts or as a guarantee of performance and are subject to significant uncertainties and contingencies, that no assurance can be given that any particular Projection will be realized and that actual results during the period or periods covered by the Projections may differ materially from such Projections.

Section 5.15 Existing Indebtedness. Schedule 5.15 to the Disclosure Letter sets forth a complete list of the following types of indebtedness of each Loan Party outstanding as of the First Amendment Effective Date: (a) indebtedness in respect of borrowed money; (b) any other obligation of such Loan Party to be liable for, or to pay, as obligor, guarantor or otherwise, on the indebtedness for borrowed money of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and (c) to the extent not otherwise included, indebtedness for borrowed money of another Person secured by a Lien on any asset owned by such Person (whether or not such indebtedness for borrowed money is assumed by such Person).

Section 5.16 Material Contracts. Schedule 5.16 to the Disclosure Letter sets forth a complete list of all Material Contracts to which any Loan Party is a party as of the First Amendment Effective Date. All such Material Contracts are in full force and effect and constitute the valid, legally binding and (subject to general equitable principles, insolvency, liquidation, reorganization and other Laws of general application relating to creditors' rights) enforceable obligation of such Loan Party and, to the Knowledge of the Loan Parties, all other parties thereto, except in each case as would not reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Loan Parties, there are no oral waivers or modifications (or pending requests therefor) in respect of such Material Contracts, except as would not reasonably be expected to have a Material Adverse Effect. No Loan Party is in breach or default under or with respect to any Material Contract except where such breaches or defaults would not reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Loan Parties, no other Person party to any such Material Contract is in default thereunder except where such default would not reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Loan Parties, no party to any such Material Contract has given any notice of termination or breach of any such Material Contract.

Section 5.17 Properties. Each Loan Party has good and marketable title to, or valid leasehold interests in or rights to use, all of its tangible properties and assets material to its business as presently conducted, free and clear of all Liens other than Permitted Liens. No Loan Party owns any real property. Schedule 5.17 to the Disclosure Letter sets forth a complete and accurate list as of the First Amendment Effective Date of all leases of real property to which any Loan Party is party (whether as lessor, lessee or otherwise), showing as of the ~~date hereof~~First Amendment Effective Date the street address, county and state (or other relevant jurisdiction), lessor, lessee and expiration date. To the Knowledge of the Loan Parties, the lease in respect of any real property held by such Loan Party under lease has been duly authorized, executed and

delivered by all parties thereto and constitutes the valid, legally binding and (subject to general equitable principles, insolvency, liquidation, reorganization and other Laws of general application relating to creditors' rights) enforceable obligation of all parties thereto except as would not reasonably be expected to have a Material Adverse Effect.

Section 5.18 Intellectual Property; New Drug Application.

(a) Other than in China, the Swiss Borrower owns, free and clear of all Liens (other than Permitted Liens), the Product, including the future life-cycle products under Development by a Loan Party as of the First Amendment Effective Date and all of the Intellectual Property that is reasonably necessary for the operation of its business as presently conducted and that is reasonably necessary for the commercialization of the Product (provided, that with respect to Intellectual Property that is related to the future life-cycle products under Development by a Loan Party as of the First Amendment Effective Date, such representation is qualified to the Knowledge of the Loan Parties), except for the failure to own or license that would not reasonably be expected to result in a Material Adverse Effect. To the Knowledge of the Loan Parties, no product, process, method, substance, part or other material presently employed by the Swiss Borrower (including in respect of the Product) material to its business as presently conducted infringes upon or misappropriates any valid and enforceable rights held by any other Person. No claim or litigation regarding any of the foregoing is pending against any Loan Party or, to the Knowledge of the Loan Parties, threatened (in writing).

(b) Schedule 5.18 to the Disclosure Letter contains a complete list of all Patents that are owned by or licensed to each Loan Party, in each case that are material or necessary to the Development or Commercialization of the Product as of the First Amendment Effective Date (the "Relevant Patents") and all Patent licenses granting rights to such Loan Party to such licensed Patents. The Swiss Borrower holds all right, title and interest in and to the Relevant Patents, free and clear of any Lien (except for Permitted Liens) and has requisite power and authority, and all necessary third party consents or approvals, including from any Governmental Authority, to grant a security interest in such Relevant Patents owned by the Swiss Borrower as contemplated in the Loan Documents. The Swiss Borrower has made, or is in the process of making, all necessary recordings with the PTO and equivalent non-U.S. intellectual property offices in respect of the Relevant Patents owned by the Swiss Borrower to protect and maintain ownership of such Relevant Patents. To the Knowledge of the Loan Parties, at least one claim of the Relevant Patents that has issued or granted by a governmental patent office is valid and enforceable. To the Knowledge of the Loan Parties, there are no litigation, interference or opposition proceedings pending or threatened (in writing) relating to the Relevant Patents that would have a material adverse impact on any of the Relevant Patents. To the Knowledge of the Loan Parties, there is no third party infringing on any Intellectual Property or proprietary right in relation to the Relevant Patents. All patent applications owned by the Swiss Borrower that are material or necessary to the commercialization of the Product other than in China are being diligently prosecuted by the Swiss Borrower, and the Swiss Borrower duly maintains those Relevant Patents that have issued and are owned by it. No Loan Party has been notified in writing of any actions by any Governmental Authority challenging the validity or enforceability of any of the issued Relevant Patents.

(c) Except as set forth on Schedule 5.18(c) to the Disclosure Letter, the Loan Party's (i) own or hold each new drug application or abbreviated new drug application in respect of the Product and (ii) have not granted or assigned to any other Person, directly or indirectly, any rights to any other Person under any such new drug application or abbreviated new drug application.

Section 5.19 Environmental Matters. Except as set forth on Schedule 5.19 to the Disclosure Letter and would not have a Material Adverse Effect, to the Knowledge of the Loan Parties: (a) each Loan Party and its respective business, operations, properties and assets are in compliance with, and no Loan Party has any liability under, any applicable Environmental Law; (b) each Loan Party has obtained (or applied for, with a reasonable likelihood of obtaining) all Environmental Permits required for the conduct of its respective business and operations and the ownership, operation and use of its respective properties and assets under Environmental Laws, and all such Environmental Permits are valid and in good standing; (c) there has been no Release or threatened Release of Hazardous Material on, at, under or from any properties or assets presently or formerly owned, leased or operated by such Loan Party or its respective predecessors in interest that would reasonably be expected to result in liability to such Loan Party under any applicable Environmental Law; (d) there is no Environmental Claim pending or threatened against such Loan Party or relating to the properties or assets currently or formerly owned, leased or operated by such Loan Party or its predecessors in interest or relating to the operations of such Loan Party, and there are no actions, activities, circumstances, conditions, events or incidents that would reasonably be expected to form the basis of such an Environmental Claim; (e) no Person with an indemnity or contribution obligation to any Loan Party relating to compliance with or liability under any Environmental Law is in default with respect to such obligation; and (f) no Loan Party is obligated to perform any action or otherwise incur any expense under any Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and no Loan Party is conducting or financing any Response pursuant to any Environmental Law or has refused or failed to conduct or finance any Response required by Environmental Law. To the Knowledge of the Loan Parties, no properties or assets owned, operated or leased by any Loan Party and no properties or assets formerly owned, operated or leased by such Loan Party or any of its respective predecessors in interest is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA or included on any similar list maintained by any Governmental Authority, including any such list relating to petroleum. No Lien has been recorded or, to the Knowledge of the Loan Parties, threatened in writing under any Environmental Law with respect to any properties or assets of such Loan Party.

Section 5.20 Labor Matters. No Loan Party is a party to any collective bargaining agreement or other labor union contract applicable to Persons employed by such Loan Party, and, to the Knowledge of the Loan Parties, there are no organizational campaigns, petitions or other unionization activities seeking recognition of a collective bargaining unit that would affect such Loan Party. There are no material controversies, strikes, slowdowns or work stoppages pending or, to the Knowledge of the Loan Parties, threatened between such Loan Party and any of its employees. There are no unfair labor practice complaints pending against any Loan Party before any Governmental Authority or, to the Knowledge of the Loan Parties, any

current union representation questions involving employees of such Loan Party, in each case that would reasonably be expected to have a Material Adverse Effect. Each Loan Party is currently in compliance with all applicable Laws relating to employment and labor, including those related to wages, hours, collective bargaining and the payment and withholding of taxes, except where such failure to comply would not reasonably be expected to have a Material Adverse Effect.

Section 5.21 Insurance. Each Loan Party maintains, with insurance companies that are financially sound and reputable, such public liability insurance, business interruption insurance, third party property damage insurance and casualty insurance with respect to liabilities, losses or damage in respect of its respective properties and assets as are customarily carried or maintained under similar circumstances by Persons engaged in similar businesses, in each case, in such amounts, with such deductibles, covering such risks and otherwise on such terms and conditions as are customary for such other Persons to maintain under similar circumstances in similar businesses.

Section 5.22 Sanctions; Anti-Money Laundering Laws; Anti-Corruption Laws.

(a) No Loan Party nor, to the knowledge upon due inquiry of the Loan Parties, any of its respective Affiliates, directors, officers, employees, agents or representatives is in violation of any Anti-Money Laundering Laws. No Loan Party nor, to the knowledge upon due inquiry of the Loan Parties, its respective Affiliates is a Person, or is owned or controlled by a Person that is, (a) listed in the annex to, or is otherwise subject to the provisions of, the Executive Order, (b) named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") at its official website or any replacement website or other replacement official publication of such list, (c) the subject of any sanctions laws, regulations or programs administered or enforced by OFAC, the United Nations Security Council, the European Union, ~~Her~~His Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions"), or (d) located, organized or resident in a country, territory or region that is the subject of comprehensive territorial Sanctions (currently including the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria). The proceeds from the Loans will not be used (a) to fund or facilitate any activities or business of or with any Person who, at the time of such funding or facilitation, is (i) the subject of Sanctions or (ii) located, organized or resident in any country or territory that is the subject of comprehensive Sanctions; or (b) in any other manner that will result in a violation of Sanctions by any Person. Each Loan Party and its respective Affiliates, directors, officers, employees, agents and representatives is and has been in compliance with, Sanctions and the Anti-Money Laundering Laws.

(b) No Loan Party nor, to the knowledge upon due inquiry of the Loan Parties, any of its respective Affiliates, directors, officers, employees, agents or representatives has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any person while knowing that all or some portion of the money or value will be offered, given or promised to anyone to improperly influence official action, to obtain business or otherwise to secure any improper advantage. Each Loan Party has conducted its business in compliance with the Anti-Corruption Laws and maintains policies and procedures reasonably designed to promote and achieve compliance with such laws. No Loan

Party will directly or indirectly, use the proceeds from the Loans for the purpose of financing or facilitating any activity that would violate the Anti-Corruption Laws.

Section 5.23 Licenses and Permits. Except as set forth on Schedule 5.23 to the Disclosure Letter, each Loan Party possesses all permits, licenses, approvals, consents and other authorizations (collectively, "Permits") issued by the appropriate Governmental Authorities necessary to conduct the business now operated by it, except where the failure to so possess would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Loan Party is in compliance with the terms and conditions of all such Permits and all such Permits are valid and in full force and effect, except, in each case, where the failure so to comply or where the invalidity of such Permits or the failure of such Permits to be in full force and effect, individually or in the aggregate, would not have a Material Adverse Effect. No Loan Party has received any written notice of proceedings relating to the revocation or material modification of any such Permits. Except as would not, individually or in the aggregate, have or may reasonably be expected to have a Material Adverse Effect, no Loan Party has received any written notice of adverse filing, warning letter, untitled letter or other correspondence or written notice in respect of the Product from FDA or any other relevant regulatory authority or other Governmental Authority alleging or asserting noncompliance with FFDCA or similar U.S. federal or state or non-U.S. Law.

Section 5.24 Regulatory Filings. Except as would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect, (a) each Loan Party is and has been in compliance with applicable health care Laws, including the FFDCA and the U.S. Anti-Kickback Statute (42 U.S.C. 1320a-7b(b)) (collectively, "Health Care Laws"), (b) each Loan Party possesses all licenses, certificates, approvals, clearances, authorizations and permits and supplements or amendments thereto required by any such Health Care Laws and/or to carry on its businesses as now or proposed to be conducted ("Health Care Authorizations"), such Health Care Authorizations are valid and in full force and effect and no Loan Party is in violation of any term of any such Health Care Authorizations, (c) no Loan Party has received written notice of any ongoing claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any Governmental Authority alleging that any product, operation or activity is in violation of any Health Care Laws or Health Care Authorizations or has any knowledge that any such Governmental Authority or third party is considering any such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action, (d) to the Knowledge of the Loan Parties, no Loan Party has received written notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any Health Care Authorizations or has any knowledge that any such Governmental Authority is considering such action and (e) each Loan Party has filed, maintained and submitted all reports, documents, forms, notices, applications, records, claims and submissions and supplements or amendments thereto as required by any Health Care Laws or Health Care Authorizations, and all such reports, documents, forms, notices, applications, records, claims, submissions, supplements and amendments were complete, correct and not misleading on the date filed (or were corrected or supplemented by a subsequent submission).

Section 5.25 Clinical Trials. To the Knowledge of the Loan Parties, the pre-clinical and clinical studies and trials conducted by or on behalf of such Loan Party in respect of the Product have been and, if still pending, are being conducted in all material respects

with reasonable care and in accordance in all material respects with the protocols submitted to the FDA or comparable Governmental Authorities and all Health Care Laws and Health Care Authorizations. No Loan Party has received any written notice or correspondence from any Governmental Authority requiring the termination, suspension or material (as determined by such Loan Party giving due consideration to modifications in the ordinary course of dealing with the FDA or other applicable regulatory agencies) modification of any pre-clinical or clinical study or trial conducted by or on behalf of such Loan Party in respect of the Product.

Section 5.26 Internal Controls. The Parent's independent registered public accounting firm and the audit committee of the board of directors of the Parent have been advised of (a) all significant deficiencies, if any, in the design or operation of internal controls that could adversely affect the Parent's ability to record, process, summarize and report financial data and (b) all fraud, if any, whether or not material, that involves management or other employees who have a role in the Parent's internal controls. All "material weaknesses" (as defined in Rule 1-02(a)(4) of Regulation S-X under the Securities Act) of the Parent, if any, have been identified to the Parent's independent registered public accounting firm and are set forth on Schedule 5.26 to the Disclosure Letter. Since the end of the Parent's most recent audited fiscal year, except as set forth on Schedule 5.26 to the Disclosure Letter, there have been no material changes in internal controls or in other factors that could significantly affect internal controls.

Section 5.27 Accounting Controls. Except as set forth on Schedule 5.27 to the Disclosure Letter, the Parent has established and maintains a system of internal accounting controls designed to provide reasonable assurance that: (a) transactions are executed in accordance with management's general or specific authorization; (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (c) access to assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Section 5.28 Existing Investments. Except as set forth on Schedule 5.28 to the Disclosure Letter, no Loan Party has any outstanding Investments as of the First Amendment Effective Date.

Section 5.29 Security Documents. The representations and warranties of each Loan Party in each Security Document to which such Loan Party is a party are true and correct as of the date of such Security Document, except to the extent that any such untrue or incorrect statement, individually or in the aggregate, would not have a material adverse effect on the Collateral or the perfection or priority of the Liens therein.

Section 5.30 Proper Legal Form. Subject to the Perfection Requirements and except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and, subject in the case of each Irish Loan Party, to the Legal Reservations, the Loan Documents are in proper legal form under the laws of each Specified Jurisdiction to be valid, legal, effective, enforceable or admissible into evidence in the courts of each Specified Jurisdiction except for any other procedural steps that have been taken or that can be taken at any

time without significant expense or delay and without prejudice to any rights or remedies the Lender may have under the Loan Documents.

Section 5.31 Security Interests. Subject to the Perfection Requirements and, in the case of each Irish Loan Party, the Legal Reservations, each Security Document creates in favor of the Lender, a legal, valid and enforceable Lien in the Collateral secured thereby except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity. Upon the filing of the financing statements (on Forms UCC-1 or otherwise) described in Section 4.01(d), such security interests in and Liens on the Collateral granted thereby shall be perfected, to the extent perfection can be accomplished through such filings, agreements or recordings, security interests (subject to Permitted Liens), and, except as contemplated by any Security Document, if any, no further recordings, notices or filings are or will be required in connection with the creation, perfection or enforcement of such security interests and Liens (other than, in the case of an Irish Loan Party, the filings required under section 409 of the Companies Act 2014 of Ireland and in respect of the English Borrower, the filings required under the Companies Act 2006).

Section 5.32 Non-Bank Rules. The Swiss Borrower is in compliance with the Non-Bank Rules; provided that the Swiss Borrower shall not be in breach of this representation if its number of creditors that are not Qualifying Banks in respect of either the 10 Non-Bank Rule or the 20 Non-Bank Rule is exceeded solely because a Lender having (a) made an incorrect declaration of its status as to whether or not it is a Qualifying Bank, (b) failed to comply with its obligations under Section 10.07(b)(iv) of this Agreement or (c) ceased to be a Qualifying Bank other than as a result of any Change in Law after the date it became a Lender under this Agreement. For the purpose of the Swiss Borrower's compliance with the 20 Non-Bank Rule under this Section 5.32, the number of Lenders under this Agreement which are not Qualifying Banks shall be deemed to be ten (irrespective of whether or not there are, at any time, any such Lenders).

Section 5.33 Disclosure. The written information furnished by or on behalf of the Loan Parties to the Lender or the Collateral Agent in connection with the transactions contemplated by this Agreement on or prior to the First Amendment Effective Date, taken as a whole, does not contain a material misstatement of fact and does not omit any material fact necessary to make such information not materially misleading as of such date; provided that, no representation or warranty is made as to the Projections or other forward looking statements or information of a general economic or industry-specific nature.

Section 5.34 Equity Commitment Letter. The Swiss Borrower has delivered to the Purchasers a true, correct, and complete copy of the Equity Commitment Letter, which provides that each of the Purchasers is a third-party beneficiary thereof entitled to specific performance in accordance with its terms. The Equity Commitment Letter is a legal, valid and binding obligation of Ultimate Parent and Parent, except as enforceability may be limited by applicable Bankruptcy Law and principles of equity. As of the First Amendment Effective Date, the Equity Commitment Letter has not been amended, restated, supplemented or otherwise modified, or compliance with any of the terms thereof waived, and no such amendment, restatement, supplement, modification or waiver is contemplated. As of the First Amendment

Effective Date, neither the Swiss Borrower nor Parent has any Knowledge of any event that has occurred which (with or without notice or lapse of time, or both) would reasonably be expected to constitute a default or breach or a failure to satisfy a condition on the part of any party under the Equity Commitment Letter. Neither the Swiss Borrower nor Parent has any reason to believe that any of the Swiss Borrower, Parent, or Ultimate Parent will be unable to satisfy on a timely basis any term or condition of the Equity Financings. As of the First Amendment Effective Date, there are no conditions or other contingencies related to funding of the full amount of the Equity Financings other than those expressly set forth in the Equity Commitment Letter delivered to the Purchasers prior to the execution and delivery of the First Amendment. There are not, and there are not contemplated to be, any side letters or other contracts or arrangements related to the Equity Financings that could reasonably be expected to adversely affect the timing, conditionality or availability of the funding of the Equity Financings, other than as expressly contained in the Equity Commitment Letter delivered to the Purchasers prior to the execution and delivery of the First Amendment.

ARTICLE VI

COVENANTS OF THE LOAN PARTIES

Until the Obligations are Paid In Full, each Loan Party agrees that, unless the Lender shall otherwise consent in writing:

Section 6.01 Reports and Other Information.

(a) Quarterly and Annual Financials.

(i) The Parent shall deliver to the Lender, within 60 days (or, following any Qualified IPO or Ultimate Parent Spinout, such earlier date on which the Parent is required to file a Form 10-Q under the Exchange Act, if applicable, after giving effect to any extension made in compliance with Rule 12b-25 under the Exchange Act) after the end of each of the first three fiscal quarters of each fiscal year of the Parent, beginning with the fiscal quarter ending June 30, 2021, a consolidated balance sheet of the Parent and its Subsidiaries as of the end of such fiscal quarter, and the related consolidated statements of income and cash flows for such fiscal quarter and (in respect of the second and third fiscal quarters of such fiscal year) for the then-elapsed portion of the Parent's fiscal year, setting forth in each case in comparative form the figures for the comparable period or periods in the previous fiscal year, all prepared in accordance with GAAP; provided, however, that the Parent shall be deemed to have made such delivery of such consolidated financial statements following any Qualified IPO or Ultimate Parent Spinout if such consolidated financial statements shall have been made available for free within the time period specified above on the SEC's EDGAR system (or any successor system adopted by the SEC); provided, further, however, that the Lender shall have no obligation whatsoever to determine whether or not such information, documents or reports have been filed pursuant to EDGAR (or its successor). Such consolidated financial statements shall be certified by a Financial Officer as, to his or her knowledge, fairly presenting, in all material respects, the consolidated financial condition, results of operations and cash flows of the Parent and its Subsidiaries as of the dates and for the periods specified in accordance with GAAP consistently applied, and on a basis consistent with the audited consolidated financial statements referred to

under Section 6.01(a)(ii), subject to normal year-end audit adjustments and the absence of footnotes. Notwithstanding the foregoing, if the Parent or any of its Subsidiaries has made an Acquisition, the financial statements with respect to an acquired entity need not be included in the consolidated quarterly financial statements required to be delivered pursuant to this Section 6.01(a)(i) until the first date upon which such quarterly financial statements are required to be so delivered that is at least 90 days after the date such acquisition is consummated; and

(ii) The Parent shall deliver to the Lender within 120 days (or, following a Qualified IPO or Ultimate Parent Spinout, such earlier date on which the Parent is required to file a Form 10-K under the Exchange Act, if applicable, after giving effect to any extension made in compliance with Rule 12b-25 under the Exchange Act) after the end of each fiscal year of the Parent, beginning with the fiscal year ending March 31, 2021, a consolidated balance sheet of the Parent and its Subsidiaries as of the end of such fiscal year, and the related consolidated statements of income, cash flows and stockholders' equity for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all prepared in accordance with GAAP, with such consolidated financial statements to be audited and accompanied by (x) a report and unqualified opinion of the Parent's independent certified public accounting firm of recognized standing in the United States (which report and opinion shall be prepared in accordance with GAAP), stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of the Parent as of the dates and for the periods specified in accordance with GAAP; and (y) following a Qualified IPO or Ultimate Parent Spinout (if and only if the Parent is required to comply with the internal control provisions pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 requiring an attestation report of such independent certified public accounting firm) an attestation report of such independent certified public accounting firm as to the Parent's internal controls pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 attesting that such internal controls meet the requirements of the Sarbanes-Oxley Act of 2002; provided, however, that the Parent shall be deemed to have made such delivery of such consolidated financial statements if such consolidated financial statements shall have been made available for free within the time period specified above on the SEC's EDGAR system (or any successor system adopted by the SEC); provided, further, however, that the Lender shall have no obligation whatsoever to determine whether or not such information, documents or reports have been filed pursuant to EDGAR (or its successor).

(b) Compliance with Agreement. The Parent shall deliver to the Lender, concurrently with the delivery of the annual financial statements provided for in 6.02(a)(ii), commencing with respect to the fiscal year ending March 31, 2021, an Officers' Certificate certifying that to each such Officer's actual knowledge there is no Default that has occurred and is continuing or, if either such Officer does know of any such Default, such Officer shall include in such certificate a description of such Default and its status with particularity.

(c) Information During Default. The Parent shall deliver to the Lender, promptly, such additional information regarding the business or financial affairs of the Parent or any of its Subsidiaries, or compliance with the terms of this Agreement, as the Lender may from time to time reasonably request during the existence of any Default (subject to reasonable requirements of confidentiality (which shall not prohibit or otherwise prevent the delivery of any written notice of such Default under this Agreement), including requirements

imposed by law or contract; and provided that the Parent shall not be obligated to disclose any information that is reasonably subject to the assertion of attorney-client privilege).

(d) Notice of Product Claims. The Parent shall deliver to the Lender any written notice of any action, claim, investigation or proceeding (commenced or threatened in writing) by or before any Governmental Authority related to the Product or the Product Assets (other than prosecution with the PTO in the ordinary course of business) that could reasonably be expected to result in a Material Adverse Effect together with any related materials no later than ten (10) Business Days after receipt by the Parent.

(e) Additional Information. Promptly upon written request, the Parent shall deliver such other information concerning the financial condition or operations of any Loan Party as the Lender or Collateral Agent may from time to time reasonably request.

Section 6.02 Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.

(a) No Loan Party shall, directly or indirectly, Incur any Indebtedness or issue any shares of Disqualified Stock or Preferred Stock; provided that such prohibition shall not apply to:

(i) the Incurrence by the Loan Parties of Indebtedness Incurred pursuant to this Agreement;

(ii) the Incurrence by the Swiss Borrower and each Loan Party that is a "Responsible Party" (as defined in the RIPSA or the NovaQuest Funding Agreement, as applicable) of liabilities and obligations (x) under the RIPSA or (y) the NovaQuest Funding Agreement to the extent such liabilities and obligations constitute Indebtedness hereunder;

(iii) Indebtedness (including Capitalized Lease Obligations) Incurred by any Loan Party to finance (whether prior to or within 270 days after) the acquisition, lease, construction, repair, replacement or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) in an aggregate principal amount that, when aggregated with the principal amount of all other Indebtedness then outstanding that was Incurred pursuant to this clause (iii), does not exceed [***] at any one time;

(iv) Indebtedness Incurred by any Loan Party constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance or in connection with the maintenance of, or pursuant to the requirements of, environmental permits or licenses from Governmental Authorities;

(v) Hedging Obligations of any Loan Party that are incurred in the ordinary course of business and not for speculative purposes but for the purpose of fixing or

hedging interest rate risk with respect to any floating-rate Indebtedness permitted under this Section 6.02 or currency exchange rate risk with respect to any currency exchanges;

(vi) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(vii) Indebtedness of any Loan Party consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(viii) Indebtedness related to unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law;

(ix) the Incurrence by the Parent of any Senior Subordinated Convertible Debt and any Permitted Equity Derivative;

(x) Indebtedness of a Loan Party to another Loan Party; provided, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Loan Party to which such Indebtedness is owed ceasing to be a Loan Party or any other subsequent transfer of any such Indebtedness (except to any Loan Party or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (x);

(xi) the Incurrence by the Parent of any Subordinated Indebtedness, not to exceed [***] at the time of Incurrence;

(xii) shares of Preferred Stock of a Loan Party (other than the Parent) issued to another Loan Party; provided that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Loan Party that holds such shares of Preferred Stock of a Subsidiary ceasing to be a Loan Party or any other subsequent transfer of any such shares of Preferred Stock (except to the Parent or any other Loan Party) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (xii);

(xiii) Indebtedness to trade creditors incurred in the ordinary course of business;

(xiv) other Indebtedness in an amount not to exceed [***] at any time outstanding;

(xv) reimbursement obligations in connection with letters of credit and cash management services and issued on behalf of a Borrower or a Subsidiary thereof in an amount not to exceed [***] at any time outstanding;

(xvi) Indebtedness incurred in the ordinary course of business with corporate credit cards, merchant cards, and purchase cards in an amount not to exceed [***];

(xvii) Indebtedness that also constitutes a Permitted Investment and Indebtedness consisting of obligations under deferred or contingent consideration arrangements (including earn-outs, milestone payments, royalties and other contingent or deferred obligations as long as such obligations are not evidenced by any "seller notes" or similar Indebtedness);

(xviii) reimbursement obligations in connection with the letters of credit set forth on Schedule 5.15 to the Disclosure Letter;~~ and~~

(xix) Preferred Stock of the Parent issued on the First Amendment Effective Date and from time to time thereafter in accordance with the Equity Commitment Letter with an aggregate initial purchase price of up to $195,000,000; provided that such Preferred Stock shall have substantially the terms set forth in the form of certificate of designations set forth in Schedule B to the Equity Commitment Letter (the "Certificate of Designations"); and

(xx) ~~(xix)~~ extensions, refinancings and renewals of any items of Indebtedness permitted by this Section 6.02, provided that the principal amount is not increased or the terms modified to impose materially more burdensome terms upon Parent or its Subsidiary, as the case may be.

Section 6.03 Limitation on Restricted Payments.

(a) The Parent shall not, directly or indirectly:

(i) declare or pay any dividend or make any distribution on account of the Parent's Equity Interests, including any payment made in connection with any merger, amalgamation or consolidation involving the Parent;

(ii) purchase or otherwise acquire or retire for value any Equity Interests of the Parent or any direct or indirect parent of the Parent;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, any Subordinated Indebtedness of the Parent (including the Senior Subordinated Convertible Debt);

(iv) make any payment in respect of, or redeem, repurchase, defease or otherwise acquire or retire for value, any obligations under the RIPSA or the NovaQuest Funding Agreement; or

(v) make any Restricted Investment;

(all such payments and other actions set forth in clauses (i) through (v) above being collectively referred to as "Restricted Payments").

(b) The provisions of Section 6.03(a) shall not prohibit:

(i) the payment of any dividend or distribution within 60 days after the date of declaration thereof in an amount up to the then current amount of the Cumulative Credit as of the date of such declaration, if at the date of declaration and at the time of payment such payment would have complied with the provisions of this Agreement and no Default has occurred and is continuing;

(ii) repurchases of Equity Interests deemed to occur upon cashless exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(iii) (x) Restricted Payments by the Parent to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of the Parent or Indebtedness convertible into Capital Stock of the Parent (including dividends, splits, combinations and business combinations) or (y) the issuance of Capital Stock upon conversion of Indebtedness convertible into Capital Stock of the Parent or the exercise of stock options or warrants;

(iv) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Parent (including the Senior Subordinated Convertible Debt) in an amount up to the then current amount of the Cumulative Credit;

(v) payments or distributions to satisfy dissenters' rights pursuant to or in connection with a merger, amalgamation, consolidation or transfer of assets permitted by this Agreement;

(vi) payments on behalf of the Parent or the Swiss Borrower in an amount up to the then current amount of the Cumulative Credit in respect of any obligations under the RIPSA or the NovaQuest Funding Agreement prior to any scheduled repayment or scheduled maturity, and subject to the Senior Lender Intercreditor Agreement;

(vii) repurchases of (A) shares or stock from former employees, directors, or consultants of Parent under the terms of applicable repurchase agreements at the original issuance price of such securities in an aggregate amount not to exceed [***] in any fiscal year; and

(viii) the purchase of (x) any Permitted Equity Derivatives in connection with the issuance of any Convertible Debt Securities permitted hereunder (and the replacement of any such Permitted Equity Derivatives) and (y) Equity Interests of the Borrower with proceeds of any Convertible Debt Securities issued no more than 365 days prior to the date of such purchase; or

(ix) the unwinding, settlement or termination of any Permitted Equity Derivatives; provided, that the entry into such Permitted Equity Derivative was not prohibited by this Agreement.

(c) No Loan Party (other than the Parent) shall, directly or indirectly:

(i) declare or pay any dividend or make any distribution on account of such Loan Party's Equity Interests, including any payment made in connection with any merger, amalgamation or consolidation involving such Loan Party, except to another Loan Party and, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Loan Party that is not a wholly-owned Subsidiary of Parent, to any third party owners of such securities; provided, however, that all such dividends or distributions made by any Loan Party that is not a wholly-owned Subsidiary of Parent shall be made on a pro rata basis or on a basis more favorable than a pro rata basis to the Parent and its Subsidiaries;

(ii) purchase or otherwise acquire or retire for value any Equity Interests of such Loan Party or any direct or indirect parent of such Loan Party;

(iii) make any payment in respect of, or redeem, repurchase, defease or otherwise acquire or retire for value, any obligations under the RIPSA (including in respect of any Revenue Interests) or the NovaQuest Funding Agreement (including in respect of any payment thereunder), other than the Swiss Borrower and only in accordance with the terms thereof as in effect on the Effective Date (or otherwise approved in writing by the Lender) and subject to the Senior Lender Intercreditor Agreement; provided, that any payments in respect of any obligations under the RIPSA or the NovaQuest Funding Agreement prior to any scheduled repayment or scheduled maturity, including as a result of any Put Event (as defined under the RIPSA), any failure to obtain any Marketing Authorization by a specified deadline or any termination of the Program (as defined in the NQ Funding Agreement), shall only be made pursuant to Section 6.03(b)(vi);

(iv) in the case of the Swiss Borrower, make any payment to Ultimate Parent in respect of subrogation claims against the Swiss Borrower under the Guarantee Agreement dated as of July 10, 2018 by Ultimate Parent in favor of NovaQuest; or

(v) make any Restricted Investment.

(d) No Loan Party (other than the Parent) shall create or otherwise cause or suffer to exist or become effective any contractual obligation that encumbers or restricts the ability of any Loan Party (other than the Parent) to pay dividends or make any other distributions on any of such Loan Party's Equity Interests, except to the extent provided in clause (c)(i) above.

Section 6.04 Books and Records; Inspection Rights and Quarterly Calls.

(a) Each Loan Party shall keep proper books of record and accounts in which full, true and correct entries in conformity in all material respects with GAAP shall be made of all dealings and transactions in relation to its business and activities.

(b) The Lender, from time to time (but no more frequently than once per year unless an Event of Default has occurred and is continuing), shall have the right to visit the Parent's offices and properties where the Parent keeps and maintains its financial books and records for purposes of conducting an audit of such books and records and to inspect, copy and audit such books and records, during normal business hours, upon ten (10) Business Days' prior written notice given by the Lender to the Parent, in which case the Parent shall provide the Lender reasonable access to such books and records during regular business hours and shall permit the Lender to discuss the business, operations, affairs, assets, properties and financial and other condition of the Parent and any of its Subsidiaries with officers of the Parent or the applicable Loan Party; provided, however, that the Parent shall not be obligated pursuant to this Section 6.04(b) to provide any information that it reasonably considers subject to attorney-client privilege. The Parent also hereby irrevocably authorizes its independent registered public accounting firm to discuss such matters with the Lender during such visit. The cost of any such visit shall not be at the expense of any Loan Party unless an Event of Default has occurred and is continuing.

(c) The Parent shall organize and the Parent's officers shall participate in a teleconference call with the Lender, from time to time (but no more frequently than once per calendar quarter), to discuss the affairs, finances and accounts of the Parent and its Subsidiaries, if requested by the Lender on at least five (5) Business Days' prior notice.

Section 6.05 No Disposition. The Loan Parties shall not, directly or indirectly, (a) make a Disposition of any assets or property (or any interest therein) or (b) issue or sell Equity Interests (other than directors' qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Loan Party (other than the Parent) other than to any other Loan Party (whether in a single transaction or a series of related transactions), in each case, except for Permitted Dispositions.

Section 6.06 Transactions with Affiliates.

(a) No Loan Party shall, directly or indirectly, make any payment to, or lease or Dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of such Loan Party (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of [***] unless:

(i) such Affiliate Transaction is on terms that are not less favorable to the applicable Loan Party than those that could have been obtained in a comparable transaction by such Loan Party with an unrelated Person as determined by the majority of the disinterested members of the Board of Directors of such Loan Party; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of [***] the applicable Loan Party delivers to the Lender a resolution adopted by the majority of the disinterested members of the Board of Directors of such Loan Party, approving such Affiliate Transaction,

evidenced by an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

(b) The provisions of Section 6.06(a) shall not apply to any of the following:

(i) the payment of reasonable and customary compensation, benefits, fees and reimbursement of expenses paid to, and indemnity, contribution and insurance provided on behalf of, officers, directors, employees or consultants of any Loan Party;

(ii) transactions in which the Parent delivers to the Lender a letter from an Independent Financial Advisor stating that such transaction is fair to the applicable Loan Party from a financial point of view or meets the requirements of Section 6.06(a)(i);

(iii) any contract, agreement or understanding as in effect as of the Effective Date or any amendment thereto (so long as any such contract, agreement or understanding together with all amendments thereto, taken as a whole, is not more disadvantageous to the Lender in any material respect than the original contract, agreement or understanding as in effect on the Effective Date) or any transaction contemplated thereby as determined in good faith by the Parent;

(iv) the existence of, or the performance by the Parent of its obligations under the terms of, any stockholders, equityholders or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Effective Date and any amendment thereto or similar transactions, agreements or arrangements that it may enter into thereafter; provided that the existence of, or the performance by the Parent of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Effective Date shall only be permitted by this clause (iv) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the Lender in any material respect than the original transaction, agreement or arrangement as in effect on the Effective Date;

(v) the issuance of Equity Interests of the Parent to any Person;

(vi) any contribution to the capital of the Parent;

(vii) intercompany transactions undertaken in good faith for the purpose of improving the consolidated tax efficiency of the Parent and its Subsidiaries and not for the purpose of circumventing compliance with any covenant set forth in this Agreement;

(viii) the formation and maintenance of any consolidated group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(ix) payments to an Affiliate in respect of the Loan or any other Indebtedness of any Loan Party that is permitted by this Agreement on the same basis as

concurrent payments are made or offered to be made in respect thereof to non-Affiliates or on a basis more favorable to such non-Affiliates;

(x) Restricted Payments permitted by Section 6.03, Indebtedness permitted by Section 6.02, Permitted Investments (without giving effect to clause (12) of the definition of "Permitted Investments") and Permitted Dispositions;

(xi) the issuance of securities or equity awards pursuant to stock option, equity incentive, stock ownership, non-employee director compensation or similar employee or director equity plans approved by the Board of Directors of the Parent in good faith;

(xii) transactions in the ordinary course of business between a Loan Party and any Person, a director of which is also a director of such Loan Party or a director of any direct or indirect parent of such Loan Party that does not materially adversely affect the value of such Loan Party or materially impair the operation of the business of any Loan Party; provided, however, that such director abstains from voting as a director of the applicable Loan Party or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(xiii) (A) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case, in the ordinary course of business and consistent with past practice, which are fair to the applicable Loan Party in the reasonable determination of the Board of Directors or the senior management of the Parent, or are on terms that are no less favorable to the applicable Loan Party than those that could reasonably have been obtained in a comparable arm's length transaction at the applicable time with a Person that is not an Affiliate of any Loan Party or (B) transactions with joint ventures entered into in the ordinary course of business that are not otherwise prohibited by this Agreement;

(xiv) payments, advances or loans (or cancellation of loans) to officers, directors, employees or consultants of any Loan Party and employment agreements, stock option plans, indemnification agreements, severance and separation agreements and other similar arrangements with such officers, directors, employees or consultants that, in each case, are either entered to in the ordinary course of business or approved by a majority of the disinterested members of the Board of Directors of the Parent in good faith; and

(xv) transactions exclusively among the Loan Parties; provided that, after giving effect to any such transaction in reliance on this Section 6.06(b)(xv), either (x) a majority of the property, plant, and equipment of the Loan Parties shall be held by the Swiss Borrower or (y) the aggregate amount of property, plant, and equipment held by the Loan Parties other than the Swiss Borrower shall not exceed [***] (in each case, measured on a pro forma basis as of the end of the immediately preceding fiscal quarter for which financial statements have been delivered pursuant to Section 6.01(a)).

Section 6.07 Further Instruments and Acts. Each Loan Party shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Agreement.

Section 6.08 Limitation on Liens. No Loan Party shall, directly or indirectly, create, Incur or suffer to exist any Lien (except Permitted Liens) on any asset or property of any Loan Party.

Section 6.09 After-Acquired Property. Upon the acquisition by any Loan Party of any assets or property other than Excluded Assets (such assets or property, the "After-Acquired Property"), such Loan Party shall promptly notify the Lender and the Collateral Agent thereof and execute and deliver such mortgages, deeds of trust, security instruments, pledge agreements or financing statements as shall be reasonably necessary to vest in the Collateral Agent a perfected security interest or other Lien, subject only to Permitted Liens, in such After-Acquired Property and to have such After-Acquired Property added to the Collateral, and shall promptly deliver such Officers' Certificates and opinions of counsel as are customary in secured financing transactions in the relevant jurisdictions or as are reasonably requested by the Lender (subject to customary assumptions, exceptions and qualifications), and thereupon all provisions of this Agreement relating to the Collateral shall be deemed to relate to such After-Acquired Property to the same extent and with the same force and effect. Notwithstanding the foregoing, (i) newly acquired assets consisting of Intellectual Property shall only be disclosed to Lender on a quarterly basis and concurrently with the delivery of the financial statements delivered pursuant to Section 6.01(a)(i) and (ii) if any property or assets of any Loan Party originally deemed to be an Excluded Asset at any point ceases to be an Excluded Asset pursuant to the definition of "Excluded Assets", all or the applicable portion of such property or assets shall be deemed to be After-Acquired Property and shall be added to the Collateral in accordance with the foregoing provisions of this Section 6.09.

Section 6.10 Product Assets; Intellectual Property. Each Loan Party shall, at its sole expense, (a) maintain the Product Assets and any other Intellectual Property owned, licensed or otherwise held by such Loan Party in each case where the failure to do so would reasonably be expected to have a Material Adverse Effect and (b) to the extent such Loan Party in good faith determines appropriate, defend the Product Assets and such Intellectual Property against actual infringement or interference by any other Persons and against any claims of invalidity or unenforceability by any other Persons (including by bringing any legal action for infringement or defending any counterclaim of invalidity or action for declaratory judgment of non-infringement), in each case where the failure to do so would reasonably be expected to have a Material Adverse Effect. No Loan Party shall disclaim or abandon, or fail to take any action the applicable Loan Party in good faith determines appropriate to prevent the disclaimer or abandonment of, the Product Assets or such Intellectual Property, in each case where such disclaimer, abandonment or failure to take any such action would reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, the provisions of this Section 6.10 shall not apply to or otherwise limit (i) the Incurrence of any Permitted Lien permitted on the Product Assets or (ii) the consummation of any Disposition permitted by Section 6.05.

Section 6.11 Maintenance of Assets; Maintenance of Insurance.

(a) Each Loan Party shall maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties necessary in the conduct of its business, and from time to time shall make or cause to be made all appropriate repairs, renewals and replacements thereof except where the failure in any individual

case or in the aggregate to maintain such properties would not reasonably be expected to result in a Material Adverse Effect.

(b) Each Loan Party shall maintain, until the termination of this Agreement, with insurance companies that are financially sound and reputable, such public liability insurance, business interruption insurance, third party property damage insurance and casualty insurance with respect to liabilities, losses or damage in respect of its respective properties and assets as are customarily carried or maintained under similar circumstances by Persons engaged in similar businesses, in each case, in such amounts, with such deductibles, covering such risks and otherwise on such terms and conditions as are customary for such other Persons to maintain under similar circumstances in similar businesses.

Section 6.12 Use of Proceeds. The Borrowers shall use the proceeds (net of any original issue discount) from the Loan in the following manner to pay the fees and expenses to be paid on or prior to the Effective Date in connection with the Transactions, to pay in full and terminate the Hercules Credit Facility and for working capital and other general corporate purposes.

Section 6.13 Existence. Subject to the terms hereof, each of the Loan Parties will do or cause to be done all things necessary to preserve and keep in full force and effect its respective existence, rights (charter and statutory), license and franchises.

Section 6.14 FDA Approval. Each applicable Loan Party shall use Commercially Reasonable Efforts to obtain the FDA Marketing Approval Letter to market the Product in the United States.

Section 6.15 Commercialization of the Product. Following the receipt of a Marketing Authorization in any jurisdiction, each applicable Loan Party shall use Commercially Reasonable Efforts to Commercialize the Product in each jurisdiction in respect of which Marketing Authorization has been received.

Section 6.16 Compliance with Governing Documents. Each Loan Party (a) shall comply in all material respects with its Governing Documents and (b) not amend or consent to any amendment of its Governing Documents or the Governing Documents of any other Loan Party in any manner adverse to the interests of the Lender; except for the Certificate of Designation referred to in clause (a)(vii) of the definition of "First Amendment Transactions".

Section 6.17 Compliance with Applicable Law, Anti-Corruption Laws and Anti-Money Laundering Laws. The Loan Parties shall comply in all material respects with all applicable law in the conduct of their business and affairs and with respect to this Agreement and the other Loan Documents and all ancillary agreements related thereto, in each case, except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Borrower will maintain in effect and enforce policies and procedures reasonably designed to ensure compliance by such Borrower, such Borrower's Subsidiaries, and their respective directors, officers, employees, and agents with applicable Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws.

Section 6.18 Tax Matters. The Loan Parties shall (a) timely file all income and other material Tax returns and reports as required by applicable law and such returns and reports shall be true and correct in all material respects, (b) pay all Taxes when due and payable, unless the same are being contested in good faith by appropriate action and for which adequate reserves have been provided in accordance with GAAP, and (c) not file any Tax return or report under any name other than its exact legal name, except, in the cases of clauses (a) to (c), to the extent such non-compliance, individually or in the aggregate, could not reasonably be expected to cause a Material Adverse Effect.

Section 6.19 Liquidity. The Loan Parties shall maintain, as of the end of each calendar month, at least $10,000,000 aggregate unrestricted Cash Equivalents in accounts held by or in the name of any Loan Party and subject to a Control Agreement; provided, however, that the covenant under this Section 6.19 shall be of no further force and effect upon the earlier of the date of a Qualified IPO or Ultimate Parent Spinout and the date that XYQ Luxco S.à r.l., in its capacity as a purchaser under the RIPSA, has received cumulative payments from the Swiss Borrower under the RIPSA from and after the date of the RIPSA through and including any date of determination in an aggregate amount equal to [***].

Section 6.20 Nature of Business. No Loan Party shall engage in or enter into any business other than the business in which the Loan Parties are engaged as of the Effective Date and activities reasonably related thereto.

Section 6.21 Merger or Transfer of Assets by any Borrower. No Borrower shall, directly or indirectly, merge, amalgamate or consolidate with or into or wind up or convert into (whether or not any Borrower is the surviving Person), or lease or Dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(a) (i) the applicable Borrower is the surviving Person or the Person formed by or surviving any such merger, amalgamation, consolidation, winding up or conversion (if other than any Borrower) or to which such lease or Disposition shall have been made is a corporation, partnership or limited liability company organized or existing under the laws of the jurisdiction of the Borrower (such Borrower or such Person, as the case may be, being herein called the "Successor Company"); and (ii) the Successor Company (if other than a Borrower) expressly assumes all the obligations of the applicable Borrower under this Agreement and the other Loan Documents (including the Security Documents) pursuant to other documents or instruments in form reasonably satisfactory to the Lender (and in such event such Borrower will automatically and unconditionally be released and discharged from its obligations under this Agreement and the other Loan Documents); and

(b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company as a result of such transaction as having been Incurred by the Successor Company at the time of such transaction) no Default shall have occurred and be continuing; and

(c) the Successor Company shall have delivered to the Lender (i) an Officers' Certificate and an opinion of counsel, each stating that such transaction and such documentation relating to such transaction complies with this Agreement and the obligations of

the applicable Borrower under this Agreement and the other Loan Documents remain obligations of the Successor Company and confirming the necessary actions to continue the perfection and priority of the Collateral Agent's Lien in the Collateral and of the preservation of its rights therein and (ii) an Officers' Certificate stating that such necessary actions have been taken (together with evidence thereof) promptly and in any event no later than 30 days following such transaction.

Section 6.22 Merger or Transfer of Assets by any Guarantor. No Guarantor shall, directly or indirectly, merge, amalgamate or consolidate with or into or wind up or convert into (whether or not a Guarantor is the surviving Person), or lease or Dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(a) (i) the applicable Guarantor is the surviving Person or the Person formed by or surviving any such merger, amalgamation, consolidation, winding up or conversion (if other than such Guarantor) or to which such lease or Disposition shall have been made is a corporation, partnership or limited liability company organized or existing under the laws of the Guarantor engaging in such merger, amalgamation, consolidation winding up or conversion or making such lease or Disposition (such Guarantor or such Person, as the case may be, being herein called the "Successor Guarantor"); and (ii) the Successor Guarantor (other than such Guarantor) expressly assumes all the obligations of such Guarantor under this Agreement, the Guarantee and the other Loan Documents (including the Security Documents) pursuant to documents or instruments in form reasonably satisfactory to the Lender (and in such event such Guarantor will automatically and unconditionally be released and discharged from its obligations under this Agreement and the other Loan Documents);

(b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Guarantor as a result of such transaction as having been Incurred by the Successor Guarantor at the time of such transaction) no Default shall have occurred and be continuing; and

(c) the Successor Guarantor shall have delivered to the Lender an Officers' Certificate and an opinion of counsel, each stating that such transaction and such documentation relating to such transaction complies with this Agreement and the obligations of the Guarantor under this Agreement and the Guarantee remain obligations of the Successor Guarantor and the other Loan Documents remain obligations of the Successor Guarantor and confirming the necessary actions to continue the perfection and priority of the Lender's Lien in the Collateral and of the preservation of its rights therein and (ii) an Officers' Certificate stating that such necessary actions have been taken (together with evidence thereof) promptly and in any event no later than 30 days following such transaction.

Section 6.23 Separateness Covenant. Each Loan Party shall each: (a) hold itself out as a separate entity; (b) maintain an arm's length relationship with its Affiliates; (c) conduct business in its own name; (d) not commingle its assets with those of any other Person; and (e) maintain its books and records and accounts separate from any other Person.

Section 6.24 ERISA. No Loan Party shall (a) become part of a Controlled Group in which any member establishes, maintains, sponsors or contributes to (or has any obligation to contribute to) a Pension Plan or (b) establish, maintain, sponsor or contribute to (or become obligated to contribute to) any Plan or Multiemployer Plan other than 401(k) plans and welfare benefit plans.

Section 6.25 Future Domestic Guarantors. The Parent shall cause each Subsidiary of Parent that is incorporated, formed or organized under the laws of the United States, any state of the United States or the District of Columbia or acquired after the ~~date hereof~~Effective Date and is incorporated, formed or organized under the laws of the United States, any state of the United States or the District of Columbia, within fifteen (15) Business Days of becoming a Subsidiary, to execute and deliver to the Lender and the Collateral Agent a joinder agreement in form and substance satisfactory to the Lender and the Collateral Agent pursuant to which such Subsidiary shall become bound hereby and guarantee the Obligations in accordance with Article VIII hereof; provided, however, that this Section 6.25 shall not apply to any such Subsidiary that is an Immaterial Subsidiary; provided, further, however, that if such Subsidiary ceases to be an Immaterial Subsidiary, the Parent shall cause such Subsidiary, within fifteen (15) Business Days of ceasing to be an Immaterial Subsidiary, to execute and deliver to the Lender and the Collateral Agent a joinder agreement in form and substance satisfactory to the Lender and the Collateral Agent pursuant to which such Subsidiary shall become bound hereby and guarantee the Obligations in accordance with Article VIII hereof. Concurrently with the execution and delivery of such joinder agreement, the Parent shall deliver to the Lender and Collateral Agent an Opinion of Counsel and an Officers' Certificate to the effect that such joinder agreement has been duly authorized, executed and delivered by such Person and that, subject to the Perfection Requirements and application of Bankruptcy Laws and to the principles of equity, whether considered in a proceeding at law or in equity, this Agreement is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and to such other customary matters as the Lender may reasonably request.

Section 6.26 Future Foreign Guarantors. The Parent shall cause each Subsidiary of Parent that is incorporated, formed, organized or acquired after the ~~date hereof~~Effective Date, and which is organized outside of the laws of the United States or any state of the United States or the District of Columbia, within 30 Days of becoming a Subsidiary, to execute and deliver to the Lender and the Collateral Agent a joinder agreement in form and substance satisfactory to the Lender and the Collateral Agent pursuant to which such Subsidiary shall become bound hereby and guarantee the Obligations in accordance with Article VIII hereof; provided, however, that this Section 6.26 shall not apply to any such Subsidiary that is an Immaterial Subsidiary; provided, further, however, that if such Subsidiary ceases to be an Immaterial Subsidiary, the Parent shall cause such Subsidiary, within 30 Days of ceasing to be an Immaterial Subsidiary, to execute and deliver to the Lender and the Collateral Agent a joinder agreement in form and substance satisfactory to the Lender and the Collateral Agent pursuant to which such Subsidiary shall become bound hereby and guarantee the Obligations in accordance with Article VIII hereof. Concurrently with the execution and delivery of such joinder agreement, the Parent shall deliver to the Lender and Collateral Agent an Opinion of Counsel and an Officers' Certificate to the effect that such joinder agreement has been duly authorized, executed and delivered by such Person and that, subject to the Perfection Requirements, the application of Bankruptcy Laws and to the principles of equity, whether considered in a proceeding at law or in equity, this

Agreement is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and to such other customary matters as the Lender may reasonably request.

Section 6.27 Controlled Accounts. No Loan Party shall open, establish or maintain any financial account (including any "deposit account", "securities account" and "commodity account" as such terms are defined in the Uniform Commercial Code) with any bank, financial institution, depositary institution, broker, securities intermediary, commodity intermediary or other Person engaged in similar activities unless such financial account is subject to a Control Agreement; provided that the foregoing restriction does not apply to any such account that would be considered an "Excluded Asset" pursuant to the definition thereof. Not less than ten (10) Business Days prior to funding such a financial account, the Parent shall give written notice thereof to the Lender and the Collateral Agent. Such notice shall identify the purpose of such account, the name to be on the account (or the Person on whose behalf such account is to be opened or established), the amount expected to be held in such account and the Person with which such account is to be opened or established (together with similar information for all other existing accounts of the Loan Parties).

Section 6.28 Junior Obligations. The Swiss Borrower shall (a) comply in all material respects with its obligations under the RIPSA and the NovaQuest Funding Agreement, subject all times to the Senior Lender Intercreditor Agreement, and (b) not amend or consent to any amendment of the RIPSA or the NovaQuest Funding Agreement in any manner adverse to the interests of the Lender; provided that First Amendment to the RIPSA, dated as of the First Amendment Effective Date, and the Amendment to NovaQuest Funding Agreement, shall each be deemed not to be adverse to the interest of the Lender.

Section 6.29 Non-Bank Rules. Each Swiss Borrower shall ensure that it is at all times in compliance with the Non-Bank Rules, provided that a Swiss Borrower shall not be in breach of this undertaking if its number of creditors in respect of either the 10 Non-Bank Rule or the 20 Non-Bank Rule is exceeded solely because a Lender having (a) made an incorrect declaration of its status as to whether or not it is a Qualifying Bank, (b) failed to comply with its obligations under Section 10.07(b)(iv) of this Agreement or (c) ceased to be a Qualifying Bank other than as a result of any Change in Law after the date it became a Lender under this Agreement. For the purpose of the Swiss Borrower's compliance with the 20 Non-Bank Rule under this Section 6.29, the number of Lenders under this Agreement which are not Qualifying Banks shall be deemed to be ten (10) (irrespective of whether or not there are, at any time, any such Lenders).

Section 6.30 Payment of Claims. Each Loan Party shall pay and discharge its claims, obligations and liabilities in the ordinary course of business, except to the extent that (i) such claims, obligations and liabilities are being contested in good faith by appropriate proceedings or (ii) the failure to pay and discharge such claims, obligations and liabilities in the ordinary course of business, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 6.31 Post-Closing Obligations. The applicable Loan Party shall deliver the following documents and take the actions specified in this Section 6.31 as promptly as

practicable following the Effective Date, but in any event no later than the times prescribed herein (or such later date as agreed by the Lender in writing, which may be by email): (a) the Guarantor named Dermavant Sciences, Inc. shall, not later than sixty (60) calendar days following the Effective Date, enter into a Control Agreement with respect to the deposit account ending in *7019 and listed on the Perfection Certificate of such Guarantor or close such deposit account, transfer the funds on deposit therein to a replacement deposit account and enter into a Control Agreement with respect to such replacement deposit account; and (b) the Swiss Borrower shall, not later than ten (10) Business Days following the Effective Date, deliver notarized originals of the Patent Security Agreement and Trademark Security Agreement to the Lender or its U.S. counsel.

Section 6.32 Equity Commitment Letter.

(a) Parent shall not amend or consent to any waiver of any provision of the Equity Commitment Letter without the prior written consent of the Lender (such consent not to be unreasonably withheld, conditioned or delayed), provided that in no event shall any such amendment or waiver (i) release or relieve (or have the effect of releasing or relieving) Ultimate Parent from its equity commitments thereunder or reduce the aggregate amount of such equity commitments, (ii) postpone or delay (or have the effect of postponing or delaying) any required funding date thereunder (as contemplated by the Equity Commitment Letter as executed on or about the First Amendment Effective Date) by more than [***], (iii) impose new or additional conditions or expand, amend or modify any of the conditions to the receipt of the equity financings set forth in the Equity Commitment Letter (the "Equity Financings"), in each case of this clause (iii), that would reasonably be expected to prevent, delay or impede the funding of the Equity Financings or make the timely funding of the Equity Financings less likely to occur, (iv) adversely affect the ability of Parent to enforce its rights against any party to the Equity Commitment Letter pursuant to the terms of the Equity Commitment Letter or (v) modify in any respect the third party beneficiary and specific performance rights of the Purchasers under the Equity Commitment Letter, in each case without the prior written consent of the Lender, in its sole discretion.

(b) The Swiss Borrower and Parent shall give Lender prompt written notice (i) of any breach or default (or any event, fact or circumstance that, with or without notice, lapse of time or both, would reasonably be expected to result in a breach or default) by any party to the Equity Commitment Letter or definitive document with respect thereto, in each case, of which Dermavant or Parent becomes aware, (ii) if and when the Swiss Borrower or Parent becomes aware that any portion of the Equity Financings contemplated by the Equity Commitment Letter may not be available on the terms and conditions contemplated by the Equity Commitment Letter, (iii) of the receipt by the Swiss Borrower, Parent, Ultimate Parent or any of their respective Affiliates of any written notice or other written communication from any Person with respect to any (1) actual or potential breach, default, termination or repudiation by any party to the Equity Commitment Letter or definitive document with respect thereto or (2) material dispute or disagreement between any of the Swiss Borrower, Parent, and Ultimate Parent with respect to Parent's or Ultimate Parent's obligation to fund the Equity Financings pursuant to the Equity Commitment Letter or any definitive document with respect thereto, (iv) if for any reason the Swiss Borrower or Parent believes that it will not be able to obtain any portion of the Equity Financings on the terms, in the manner and from Parent or Ultimate Parent

contemplated by the Equity Commitment Letter or any definitive documents with respect thereto and (y) of any expiration or termination of the Equity Commitment Letter or any definitive document with respect thereto.

(c) Each of the Swiss Borrower and Parent agrees to use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with Parent and Ultimate Parent in doing, all things necessary, proper or advisable to arrange and obtain the Equity Financings when the proceeds thereof shall be required to fund the operations of Dermavant on the terms and conditions described in the Equity Commitment Letter as in effect as of the First Amendment Effective Date (as may be amended in accordance with the terms of this Section 6.32), including enforcement of its rights under the Equity Commitment Letter. Parent agrees to contribute any net cash proceeds of the Equity Financings to the Swiss Borrower as needed to fund the Swiss Borrower's operations; provided that Parent may retain cash proceeds needed to fund the operations of Parent and its other subsidiaries.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01 Events of Default. An "Event of Default" shall exist if and when any of the following events shall occur and be continuing:

(a) any Loan Party shall fail to pay when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) (i) any interest on any Loan or any fee (including the Exit Fee), premium (including the Premium), indemnity or other amount payable under this Agreement (other than any portion thereof constituting principal of the Loans) or any other Loan Document, and such failure continues for a period of five (5) Business Days or (ii) all or any portion of the principal of the Loans;

(b) any representation or warranty made or deemed made by any Loan Party in this Agreement or in any other Loan Document or any certificate delivered or required to be delivered pursuant hereto or thereto proves to have been false or incorrect in any material respect (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on the date as of which made (or, if such representation or warranty is given as of a specific time, as of such time) and, if such representation or warranty is curable, such Loan Party fails to cure such misrepresentation within ten (10) Business Days;

(c) any of the Loan Parties fails to comply with Section 6.02, Section 6.03, Section 6.05, Section 6.08, Section 6.12, Section 6.21, Section 6.22, Section 6.24, Section 6.28, Section 6.29 ~~or~~, Section 6.31 or Section 6.32;

(d) any of the Loan Parties fails to comply with any of its agreements in this Agreement or any other Loan Document (other than those referred to in clause (a), (c) or (n) of this Section 7.01) and such failure continues for 10 consecutive days;

(e) any of the Loan Parties fails to make any payment in respect of any liabilities, amounts or obligations under the RIPSA or the NovaQuest Funding Agreement, in each case, within any applicable grace period after such payment or amount is due and payable (including at final maturity);

(f) any of the Loan Parties fails to make any payment in respect of Indebtedness within any applicable grace period after such payment is due and payable (including at final maturity) or the acceleration of any such Indebtedness by the holders thereof occurs because of a default in respect thereof, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds $850,000 or its non-U.S. currency equivalent;

(g) any Loan Party or, at any time prior to the termination or expiration of the Equity Commitment Letter in accordance with its terms, the Ultimate Parent pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case;

(ii) consents to the entry of an order for relief against it in an involuntary case;

(iii) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(iv) makes a general assignment for the benefit of its creditors or takes any comparable action under any non-U.S. laws relating to insolvency;

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against any Loan Party or, at any time prior to the termination or expiration of the Equity Commitment Letter in accordance with its terms, the Ultimate Parent, in each case, in an involuntary case;

(ii) appoints a Custodian of any Loan Party or, at any time prior to the termination or expiration of the Equity Commitment Letter in accordance with its terms, the Ultimate Parent or, in each case, for any substantial part of ~~its property~~their respective properties; or

(iii) orders the winding up or liquidation of any Loan Party or, at any time prior to the termination or expiration of the Equity Commitment Letter in accordance with its terms, the Ultimate Parent;

or any similar relief is granted under any non-U.S. laws and the order or decree remains unstayed and in effect for 60 consecutive days;

(i) any Loan Party fails to pay final judgments aggregating in excess of [***] or its non-U.S. currency equivalent (net of any amounts that are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged,

bonded, rescinded, waived or stayed for a period of 60 consecutive days following the entry thereof;

(j) the Collateral Agent fails to have a perfected security interest in any portion of the Collateral with a value greater than [***] thereof and such failure continues for more than 10 days;

(k) any Guarantee ceases to be in full force and effect for more than 10 days or any Borrower or any Guarantor disaffirms its obligations under this Agreement or its Guarantee;

(l) the Senior Lender Intercreditor Agreement ceases to be in full force and effect for more than 10 days ~~after~~ or any junior creditor disaffirms its obligations thereunder;

(m) unless all of the Collateral has been released from the Liens in accordance with the provisions of the Security Documents, any Loan Party shall assert in writing that any such Lien is invalid or unenforceable;

(n) any Loan Party fails to comply for 30 consecutive days with its obligations contained in the Security Documents, except for a failure with respect to assets or property with an aggregate value of less than [***];

(o) a Change of Control occurs without an optional prepayment or mandatory prepayment offer pursuant to Section 2.05 within ten (10) Business Days of the date of such occurrence;

(p) an occurrence of an Intercreditor Event of Default; or

(q) with respect to the English Borrower,

(i) the English Borrower:

(A) suspends or threatens to suspend making payments on any of its Indebtedness; or

(B) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Loan Party in its capacity as such) with a view to rescheduling any of its Indebtedness.

(ii) the value of the assets of the English Borrower is less than its liabilities (taking into account contingent and prospective liabilities).

(iii) a moratorium is declared in respect of any Indebtedness of the English Borrower. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

(iv) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(A) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the English Borrower;

(B) a composition, compromise, assignment or arrangement with any creditor of the English Borrower;

(C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the English Borrower or any of its assets; or

(D) enforcement of any security over any assets of the English Borrower, .

(E) or any analogous procedure or step is taken in any jurisdiction

(v) clause (iv) above shall not apply to any winding-up petition

(r) [***]

then, and in any such event, the Lender may, by written notice to the Parent, (i) declare all or any portion of the Loans then outstanding to be due and payable, whereupon all or such portion of the aggregate principal of all Loans, all accrued and unpaid interest thereon, all fees (including the Exit Fee) and all other amounts (including the Premium, if any) payable in respect of such principal amount of Loans under this Agreement and the other Loan Documents shall become due and payable immediately, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Loan Party and (ii) exercise any and all of its other rights and remedies under applicable law, hereunder and under the other Loan Documents; provided, however, that upon the occurrence of any Event of Default described in clause (g), (h) or (q) of this Section 7.01, without any notice to any Loan Party or any other

Person or any act by the Lender, all Loans then outstanding, together with all accrued and unpaid interest thereon, all fees (including the Exit Fee) and all other amounts (including the Premium, if any) payable in respect of the Loans under this Agreement and the other Loan Documents shall become due and payable automatically and immediately, without presentment, demand, protest or notice of any kind, all of which are expressly waived by each Loan Party.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar U.S. federal or state law for the relief of debtors (or their non-U.S. equivalents). The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (d) or (n) above shall not constitute an Event of Default until the Lender notifies the Parent of the Default or after the date on which such Default should reasonably have been known by the defaulting party and the applicable Loan Party does not cure such Default within the time specified in such clause (d) or (n) after receipt of such notice or after such date, as applicable. The Parent shall deliver to the Lender, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event that is, or with the giving of notice or the lapse of time or both would become, an Event of Default, its status and what action the applicable Loan Party is taking or proposes to take in respect thereof.

ARTICLE VIII

GUARANTEE

Section 8.01 Guarantee.

(a) Each Guarantor hereby jointly and severally and irrevocably and unconditionally guarantees as a primary obligor and not merely as a surety on a senior basis to the Lender and Collateral Agent, as applicable, and their respective successors and assigns (i) the full and punctual payment when due, whether at Final Maturity Date, by acceleration, by redemption or otherwise, of all Obligations of the Borrowers under this Agreement, whether for payment of principal of, or premium (including the Premium) or interest on, the Loans, fees (including the loan origination fee or the Exit Fee), indemnification or other monetary obligations of the Borrowers under this Agreement and the other Loan Documents, and (ii) the full and punctual performance of all other obligations of the Loan Parties under this Agreement and the other Loan Documents, on the terms set forth in this Agreement by becoming a party to this Agreement, in each case, to the extent not paid or performed by any other Loan Party (all the foregoing being hereinafter collectively called the "Guaranteed Obligations").

(b) Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from any Guarantor, and that each Guarantor shall remain bound under this Article VIII notwithstanding any extension or renewal of any Guaranteed Obligation.

(c) Each Guarantor waives presentation to, demand of payment from and protest to any Borrower of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under this Agreement and

the other Loan Documents or the Guaranteed Obligations. The obligations of the Guarantors hereunder shall not be affected by (i) the failure of the Lender or the Collateral Agent to assert any claim or demand or to enforce any right or remedy against any Borrower or any other Person under this Agreement, any other Loan Document or any other agreement or otherwise; (ii) any extension or renewal of this Agreement, any other Loan Document or any other agreement; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement, any other Loan Document or any other agreement; (iv) the release of any security held by the Lender or the Collateral Agent for the Guaranteed Obligations or the Guarantors; or
(v) any change in the ownership of any Guarantor.

(d) Each Guarantor hereby waives the benefits of diligence, presentment, demand for payment, filing of claims with a court in the event of insolvency or bankruptcy of any Borrower, and any right to which it may be entitled to (i) have the assets of such Borrower first be used and depleted as payment of such Borrower's or the Guarantor's obligations hereunder prior to any amounts being claimed from or paid by each Guarantor hereunder and (ii) require that such Borrower be sued prior to an action being initiated against such Guarantor.

(e) Each Guarantor further agrees that the Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by the Lender or the Collateral Agent to any security held for payment of the Guaranteed Obligations.

(f) Except as expressly set forth herein, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of the Guarantors herein shall not be discharged or impaired or otherwise affected by (i) the failure of the Lender or the Collateral Agent to assert any claim or demand or to enforce any remedy under this Agreement, any other Loan Document or any other agreement, (ii) any waiver or modification of any thereof, (iii) any default, failure or delay, willful or otherwise, in the performance of the obligations or (iv) any other act or thing or omission or delay to do any other act or thing that may or might in any manner or to any extent vary the risk of the Guarantors or would otherwise operate as a discharge of the Guarantors as a matter of law or equity.

(g) Each Guarantor agrees that the Guarantee shall remain in full force and effect until payment in full of the Guaranteed Obligations. Each Guarantor further agrees that the Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, in respect of any Guaranteed Obligation is rescinded or must otherwise be restored by the Lender or the Collateral Agent upon the bankruptcy or reorganization of any Borrower or otherwise.

(h) In furtherance of the foregoing and not in limitation of any other right that the Lender or the Collateral Agent has at law or in equity against the Guarantors by virtue hereof, upon the failure of the Borrowers to pay the principal of any Guaranteed

Obligation when and as the same shall become due, whether at maturity or by acceleration, or to perform or comply with any other Guaranteed Obligation, each Guarantor hereby promises to and shall, upon receipt of written demand by the Lender in accordance with this Agreement, forthwith pay, or cause to be paid, in cash, to the Lender an amount equal to the sum of (i) the unpaid principal amount of such Guaranteed Obligations and (ii) all other monetary obligations of the Borrowers then due to the Lender or the Collateral Agent (or both) in respect of the Guaranteed Obligations.

(i) Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Lender in respect of any Guaranteed Obligations guaranteed hereby. Each Guarantor further agrees that, as between it, on the one hand, and the Lender or the Collateral Agent, on the other hand, (i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided herein for the purposes of the Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations as provided herein, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purposes of this Section 8.01.

(j) Each Guarantor also agrees to pay any and all costs and expenses (including reasonable and documented out-of-pocket attorneys' fees and expenses) incurred by the Lender or the Collateral Agent (or both) in enforcing any rights under this Section 8.01.

(k) Each Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Agreement.

Section 8.02 Limitation on Liability. Each Guarantor hereby confirms that it is its intention that the Guarantee of such Guarantor does not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar U.S. federal or state law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Lender, the Collateral Agent, the Borrowers and the Guarantors hereby irrevocably agree that, any term or provision of this Agreement to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Guarantor shall not exceed the maximum amount that, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Agreement, can be guaranteed hereby without rendering the Guarantee, as it relates to such Guarantor, void or voidable under applicable laws relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. Each Guarantor that makes a payment under its Guarantee shall be entitled upon payment in full of all Guaranteed Obligations under this Agreement to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective maximum liability of all the Guarantors at the time of such payment.

Section 8.03 Release. A Guarantee as to any Guarantor shall terminate and be of no further force or effect and such Guarantor shall be deemed to be automatically released from all obligations under this Article VIII upon the merger, amalgamation or consolidation of any Guarantor with and into any other Loan Party that is the surviving Person in such merger, amalgamation or consolidation or upon the liquidation of such Guarantor following the Disposition of all of its assets to another Loan Party.

Section 8.04 Successors and Assigns. This Article VIII shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the Lender, the Collateral Agent and their respective successors and assigns and, in the event of any transfer or assignment of rights by the Lender or the Collateral Agent, the rights and privileges conferred upon that party in Agreement shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Agreement.

Section 8.05 No Waiver. Neither a failure nor a delay on the part of the Lender or the Collateral Agent in exercising any right, power or privilege under this Article VIII shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Lender and the Collateral Agent herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits that any of them may have under this Article VIII at law, in equity, by statute or otherwise.

Section 8.06 Modification. No modification, amendment or waiver of any provision of this Article VIII, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 8.07 Benefits Acknowledged . Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Agreement and that the guarantee and waivers made by it pursuant to its Guarantee are knowingly made in contemplation of such benefits.

Section 8.08 Irish Guarantee Limitation. Each Guarantee of each Guarantor that that is incorporated, formed or organized in Ireland and becomes party hereto after the Effective Date in accordance with Section 6.26 does not apply to any liability to the extent that it would result in such guarantee constituting unlawful financial assistance within the meaning of Section 82 of the Companies Act 2014 of Ireland.

ARTICLE IX

COLLATERAL AGENT

Section 9.01 Appointment and Duties.

(a) Appointment of Collateral Agent.Lender hereby appoints U.S. Bank Trust Company, National Association (together with any successor Collateral Agent

pursuant to Section 9.09) as the Collateral Agent hereunder and authorizes the Collateral Agent to (i) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Loan Party, (ii) take other actions on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to the Collateral Agent under such Loan Documents and (iii) exercise such powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Lender acknowledges that it has received a copy of the Senior Lender Intercreditor Agreement, consents to and authorizes the Collateral Agent's execution and delivery thereof on behalf of itself and the Lender and agrees to be bound by the terms and provisions thereof, including any purchase option contained therein. The Lender further consents to and authorizes the Collateral Agent's execution and delivery of any intercreditor or subordination agreements from time to time as expressly contemplated by the terms hereof on behalf of itself and the Lender and agrees to be bound by the terms and provisions thereof, including any purchase option contained therein.

(b) Duties as Collateral Agent. Without limiting the generality of clause (a) above, the Collateral Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders, except as otherwise provided herein), and is hereby authorized, to (i) act as collateral agent for Lender for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (ii) manage, supervise and otherwise deal with the Collateral (solely in accordance with the direction of the Lender (or the Required Lenders, if applicable)), (iii) take such other action as requested by the Lender to maintain the perfection and priority of the Liens created or purported to be created by the Loan Documents, (iv) except as may be otherwise specified in any Loan Document, exercise all remedies given to the Collateral Agent and the Lender with respect to the Collateral, whether under the Loan Documents, applicable law or otherwise, and (v) to execute and deliver the Security Documents; provided, however, that the Collateral Agent hereby appoints, authorizes and directs the Lender to act as collateral sub-agent for Collateral Agent, for purposes of the perfection of all Liens with respect to the Collateral, including any deposit account maintained by a Loan Party with, and cash and Cash Equivalents held by the Lender.

(c) Limited Duties. Under the Loan Documents, the Collateral Agent (i) is acting solely on behalf of the Lender, with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Collateral Agent", the terms "agent", "Collateral Agent" and "collateral agent" and similar terms in any Loan Document to refer to Collateral Agent, which terms are used for title purposes only, and (ii) is not assuming and shall not have any actual or implied obligations, functions, responsibilities, duties, under any Loan Document (regardless of whether a default or Event of Default has occurred or is continuing) other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for the Lender or any other Person, and the Lender, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against the Collateral Agent based on the titles, duties and legal relationships expressly disclaimed in clauses (i) and (ii) above.

Section 9.02 Binding Effect.The Lender, by accepting the benefits of the Loan Documents, agrees that (i) any action taken (or omitted to be taken) by the Collateral Agent in

accordance with the provisions of the Loan Documents, (ii) any action taken (or omitted to be taken) by the Collateral Agent in reliance upon the instructions of the Lender and (iii) the exercise by the Collateral Agent of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon the Lender.

Section 9.03 Use of Discretion.

(a) No Action without Instructions. The Collateral Agent shall not be required to exercise any discretion or take, or omit to take, any action, including with respect to enforcement or collection, except any action it is required to take or omit to take (i) under any Loan Document or (ii) pursuant to instructions from the Lender or counsel to the Lender.

(b) Right Not to Follow Certain Instructions. Notwithstanding clause (a) above, the Collateral Agent shall not be required to take, or to omit to take, any action (i) unless, upon demand, the Collateral Agent receives an indemnification satisfactory to it from the Lender (or, to the extent applicable and acceptable to Collateral Agent, any other Person) against all liabilities that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Collateral Agent or (ii) that is, in the opinion of the Collateral Agent or its counsel, contrary to any Loan Document or applicable law.

(c) Exclusive Right to Enforce Rights and Remedies. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them with respect to the Collateral shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Collateral Agent in accordance with the Loan Documents for the benefit of all the Secured Parties; provided that the foregoing shall not prohibit (i) the Collateral Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Collateral Agent) hereunder and under the other Loan Documents, (ii) the Lender from exercising setoff rights in accordance with this Section 9.03 or (ii) the Lender from filing proofs of claim (and thereafter appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Bankruptcy Law or other Debtor Relief Law), but in the case of this clause (iv) if, and solely if, the Collateral Agent has not filed such proof of claim or other instrument of similar character in respect of the Obligations within fifteen (15) days before the expiration of the time to file the same.

Section 9.04 Delegation of Rights and Duties. The Collateral Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact or other Person (including the Lender), and the Collateral Agent shall, if so requested by the Lender in writing, appoint the Lender or the Lender's designee as its agent in respect of any Control Agreement to which the Lender or such designee is or is to be a party and so delegate to the Lender or such designee its

rights, powers and remedies under such Control Agreement. Any such Person shall benefit from this Article IX to the extent provided by Collateral Agent.

Section 9.05 Reliance and Liability.

(a) The Collateral Agent may, without incurring any liability hereunder, (i) treat the payee of any Note as its holder until such Note has been assigned in accordance with Section 10.07, (ii) rely on the Register, (iii) consult with any of its Affiliates and, whether or not selected by it, any other advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, any Loan Party or the Lender) and (iv) rely and act upon any document and information (including those transmitted by electronic transmission) and any telephone message or conversation, in each case believed by it in good faith to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(b) The Collateral Agent shall not be liable for any action taken or omitted to be taken by it under or in connection with any Loan Document, and the Lender, and each Loan Party hereby waive and shall not assert any right, claim or cause of action based thereon, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of the Collateral Agent (or, as the case may be, such Related Person) each as determined in a final, non-appealable judgment by a court of competent jurisdiction in connection with the duties expressly set forth herein. Without limiting the foregoing, the Collateral Agent:

(i) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of the Lender;

(ii) shall not be responsible to any Lender or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document;

(iii) makes no representation or warranty, and shall not be responsible, to the Lender or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of any Loan Party in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to any Loan Party, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lender) omitted to be transmitted by the Collateral Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by the Collateral Agent in connection with the Loan Documents;

(iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of any Loan Party or as to the occurrence or continuation or

possible occurrence or continuation of any Default or Event of Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from any Loan Party, or any Lender describing such Default or Event of Default clearly labeled "notice of default" or otherwise expressly describing such occurrence or continuation as a Default or Event of Default;

(v) shall have no obligation to file financing statements, amendments to financing statements, or continuation statements, or to perfect or maintain the perfection of the Collateral Agent of the Collateral Agent's Lien on the Collateral.

and, for each of the items set forth in clauses (b)(i) through (v) above, the Lender, and each Loan Party hereby waive and agree not to assert any right, claim or cause of action it might have against the Collateral Agent based thereon. Whether or not expressly stated in any Security Document, the rights, privileges and immunities of the Collateral Agent set forth herein shall be incorporated therein.

Section 9.06 Collateral Agent Individually. The Collateral Agent and its Affiliates may make loans and other extensions of credit to, acquire stock and stock equivalents of, engage in any kind of business with, any Loan Party or Affiliate thereof as though it were not acting as the Collateral Agent and may receive separate fees and other payments therefor. To the extent the Collateral Agent or any of its Affiliates makes any Loan or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the terms "Lender", "Required Lenders" and any similar terms shall, except where otherwise expressly provided in any Loan Document, include the Collateral Agent or such Affiliate, as the case may be, in its individual capacity as a Lender or as one of the Required Lenders, respectively.

Section 9.07 Lender Credit Decision. The Lender acknowledges that it shall, independently and without reliance upon the Collateral Agent, or upon any document (including any offering and disclosure materials in connection with the syndication of the Loans) solely or in part because such document was transmitted by the Collateral Agent, conduct its own independent investigation of the financial condition and affairs of each Loan Party and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by the Collateral Agent to the Lender, the Collateral Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party that may come into the possession of the Collateral Agent.

Section 9.08 Expenses; Indemnities; Withholding.

(a) The Lender agrees to reimburse Collateral Agent (to the extent not reimbursed by any Loan Party) promptly upon demand, severally and ratably, for any

costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and Other Taxes paid in the name of, or on behalf of, any Loan Party) that may be incurred by the Collateral Agent in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including preparation for or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to, its rights or responsibilities under any Loan Document.

(b) The Lender further agrees to indemnify the Collateral Agent (to the extent not reimbursed by any Loan Party), severally and ratably, from and against liabilities that may be imposed on, incurred by or asserted against the Collateral Agent in any matter relating to or arising out of, in connection with or as a result of any Loan Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by the Collateral Agent under or with respect to any of the foregoing; provided, however, that the Lender shall not be liable to Collateral Agent to the extent such liability has resulted primarily from the gross negligence or willful misconduct of the Collateral Agent as determined by a court of competent jurisdiction in a final non-appealable judgment or order.

(c) The undertaking in this Section 9.08 shall survive repayment or cancellation of the Loans, any foreclosure under, or modification, release or discharge of, any or all of the Security Documents, termination of this Agreement and the resignation or replacement of Collateral Agent.

Section 9.09 Resignation or Removal of Collateral Agent.

(a) The Collateral Agent may resign at any time by delivering notice of such resignation to the Lender and the Borrower, effective on the date set forth in such notice or, if no such date is set forth therein, on the date such notice shall be effective in accordance with the terms of this Section 9.09. If the Collateral Agent delivers any such notice, the Lender shall have the right to appoint a successor Collateral Agent. If, after 30 days after the date of the retiring Collateral Agent's notice of resignation, no successor Collateral Agent has been appointed by the Lender that has accepted such appointment, then the retiring Collateral Agent may, on behalf of the Lender, appoint a successor Collateral Agent from among the Lenders.

(b) The Lender may remove the Collateral Agent at any time by delivering notice of such removal to the Collateral Agent, effective on the date set forth in such notice or, if no such date is set forth therein, on the date such notice shall be effective in accordance with the terms of this Section 9.09. If the Lender delivers any such notice, the Lender shall appoint a successor Collateral Agent that shall have accepted such appointment.

(c) Effective immediately upon its resignation or removal, (i) the retiring Collateral Agent shall be discharged from its duties and obligations under the Loan

Documents, (ii) the Lender shall assume and perform all of the duties of the Collateral Agent until a successor Collateral Agent shall have accepted a valid appointment hereunder, (iii) the retiring Collateral Agent shall no longer have the benefit of any provision of any Loan Document other than with respect to any actions taken or omitted to be taken while such retiring Collateral Agent was, or because such Collateral Agent had been, validly acting as Collateral Agent under the Loan Documents and (iv) subject to its rights under Section 9.03, the retiring Collateral Agent shall take such action as may be reasonably requested by the Lender to assign to the successor Collateral Agent its rights as Collateral Agent under the Loan Documents. Effective immediately upon its acceptance of a valid appointment as Collateral Agent, a successor Collateral Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Collateral Agent under the Loan Documents.

Section 9.10 Release of Collateral or Guarantors. Lender hereby consents to the release and hereby directs Collateral Agent to release any Collateral to the extent expressly provided in any Loan Document in accordance with the specific terms and provisions thereof. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Collateral Agent is hereby irrevocably authorized by the Lender (and the Lender hereby expressly consents), and the Collateral Agent hereby agrees, to take any action reasonably requested by the Borrowers to effect the release of any Collateral from the Lien created by the Security Documents: (a) upon Payment In Full of all Obligations or (b) if such Collateral is sold, transferred or otherwise disposed of to any Person other than a Loan Party in a transaction expressly permitted by this Agreement. The Lender hereby directs the Collateral Agent, and Collateral Agent hereby agrees, upon receipt by the Lender and the Collateral Agent of reasonable advance written notice (but in no event less than ten (10) Business Days advance written notice) from the Borrowers accompanied by an Officer's Certificate stating such release complies with the Loan Documents, to, unless the Lender has provided a written objection to such release to the Collateral Agent and the Borrowers within ten (10) Business Days of receipt of such written notice, execute and deliver such documents and to perform other actions reasonably requested by the Borrowers and, at the Borrowers' expense, to release the Guarantees and Liens when and as directed in this Section 9.10. Upon request by the Collateral Agent at any time, the Lender will confirm in writing the Collateral Agent's authority to release, or subordinate its interest in, particular types or items of Collateral pursuant to this Section 9.10 solely to the extent required by this Agreement.

Section 9.11 Additional Secured Parties. The benefit of the provisions of the Loan Documents directly relating to the Collateral or any Lien granted thereunder shall extend to and be available to any Lender that is not a Lender party hereto as of the Effective Date as long as, by accepting such benefits, such Lender agrees, as among Collateral Agent and all other Secured Parties, that such Lender is bound by (and, if requested by Collateral Agent (at the direction of the Lender), shall confirm such agreement in a writing in form and substance acceptable to the Lender) this Agreement.

Section 9.12 Credit Bid. The Lender hereby irrevocably authorizes the Collateral Agent, on behalf of all Secured Parties to take any of the following actions upon the instruction of the Lender:

(a) consent to the Disposition of all or any portion of the Collateral free and clear of the Liens securing the Obligations in connection with any Disposition pursuant to the applicable provisions of Title 11 of the United States Code, including Section 363 thereof;

(b) credit bid all or any portion of the Obligations, or purchase all or any portion of the Collateral (in each case, either directly or through one or more acquisition vehicles), in connection with any Disposition of all or any portion of the Collateral pursuant to the applicable provisions of Title 11 of the United States Code, including Section 363 thereof;

(c) credit bid all or any portion of the Obligations, or purchase all or any portion of the Collateral (in each case, either directly or through one or more acquisition vehicles), in connection with any Disposition of all or any portion of the Collateral pursuant to the applicable provisions of the Uniform Commercial Code, including Section 9-610 or Section 9-620 of the UCC;

(d) credit bid all or any portion of the Obligations, or purchase all or any portion of the Collateral (in each case, either directly or through one or more acquisition vehicles), in connection with any foreclosure or other Disposition conducted in accordance with applicable law following the occurrence of an Event of Default, including by power of sale, judicial action or otherwise; or

(e) estimate the amount of any contingent or unliquidated Obligations of the Lender;

it being understood that no Lender shall be required to fund any amount (other than by means of offset) in connection with any purchase of all or any portion of the Collateral by Collateral Agent pursuant to the foregoing clauses (b), (c) or (d) without its prior written consent.

Lender agrees that the Collateral Agent is under no obligation to credit bid any part of the Obligations or to purchase or retain or acquire any portion of the Collateral; provided that, in connection with any credit bid or purchase described under clauses (b), (c) or (d) of the preceding paragraph, the Obligations owed to all of the Secured Parties (other than with respect to contingent or unliquidated liabilities as set forth in the next succeeding paragraph) may be, and shall be, credit bid by the Collateral Agent on a ratable basis.

With respect to each contingent or unliquidated claim that is an Obligation, the Collateral Agent is hereby authorized, but is not required, to estimate the amount thereof for purposes of any credit bid or purchase described in the second preceding paragraph so long as the estimation of the amount or liquidation of such claim would not unduly delay the ability of the Collateral Agent to credit bid the Obligations or purchase the Collateral in the relevant Disposition. In the event that the Collateral Agent, in its sole and absolute discretion (at the direction of the Lender), elects not to estimate any such contingent or unliquidated claim or any such claim cannot be estimated without unduly delaying the ability of the Collateral Agent to consummate any credit bid or purchase in accordance with the second preceding paragraph, then any contingent or unliquidated claims not so estimated shall be disregarded, shall not be credit bid and shall not be

entitled to any interest in the portion or the entirety of the Collateral purchased by means of such credit bid.

A Lender whose Obligations are credit bid under clauses (b), (c) or (d) of the third preceding paragraph shall be entitled to receive interests in the Collateral or any other asset acquired in connection with such credit bid (or in the Capital Stock of the acquisition vehicle or vehicles that are used to consummate such acquisition) on a ratable basis in accordance with the percentage obtained by dividing (x) the amount of the Obligations of such Lender that were credit bid in such credit bid or other Disposition, by (y) the aggregate amount of all Obligations that were credit bid in such credit bid or other Disposition.

Section 9.13 Erroneous Payments.

(a) The Lender hereby agrees that (i) if the Collateral Agent notifies in writing such Lender that the Collateral Agent has determined in its sole discretion that any funds received by such Lender from the Collateral Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender) (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, an "***Erroneous Payment***") and demands in writing the return of such Erroneous Payment (or a portion thereof) (provided, that, without limiting any other rights or remedies (whether at law or in equity), the Collateral Agent may not make any such demand under this clause (a)(i) with respect to an Erroneous Payment unless such demand is made within two (2) Business Days of the date of receipt of such Erroneous Payment by the Lender), such Lender shall promptly, but in no event later than two (2) Business Days after receipt of such written demand, return to the Collateral Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a written demand was made, in same day funds (in the currency so received), together with, if identified in such written demand, interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Collateral Agent in same day funds at a rate determined by the Collateral Agent in accordance with banking industry rules on interbank compensation from time to time in effect and (ii) to the extent permitted by applicable law, such Lender shall not assert any right or claim to the Erroneous Payment, and such Lender hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Collateral Agent for the return of any Erroneous Payments received, including waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the Collateral Agent to any Lender under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender hereby further agrees that if it receives an Erroneous Payment from the Collateral Agent (or any of its Affiliates) (i) that is in a different amount than, or on a different date from, that specified in a written notice of payment sent by the Collateral Agent (or any of its Affiliates) with respect to such Erroneous Payment (an "***Erroneous Payment Notice***"), (ii) that was not preceded or accompanied by an Erroneous Payment Notice, or (iii) that such Lender otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each case, an error shall have been presumed to have been made (absent written confirmation from the Collateral Agent to the contrary) with respect to such Erroneous Payment, and to the extent

permitted by applicable law, such Lender shall not assert any right or claim to the Erroneous Payment, and such Lender hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Collateral Agent for the return of any Erroneous Payments received, including waiver of any defense based on "discharge for value" or any similar doctrine. Each Lender agrees that, in each such case, it shall promptly (and, in all events, within one Business Day of its knowledge (or deemed knowledge) of such error) notify the Collateral Agent of such occurrence and, upon demand from the Collateral Agent, it shall promptly, but in all events no later than one Business Day after receipt of such written demand, return to the Collateral Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a written demand was made in same day funds (in the currency so received), together with, if identified in such written demand, interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Collateral Agent in same day funds at a rate determined by the Collateral Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) The Borrowers and each other Loan Party hereby agree that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Collateral Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers or any other Loan Party.

(d) Each party's obligations under this Section 9.13 shall survive the resignation or replacement of the Collateral Agent, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices, Etc.

(a) Notices Generally. All notices and other communications provided for hereunder shall be in writing and shall be mailed (certified mail, postage prepaid and return receipt requested) or delivered by hand, Federal Express or other reputable overnight courier:

if to any Loan Party, at the following address:

DERMAVANT SCIENCES LTD.
[***]

with a copy (which shall not constitute notice) to:

~~Cooley~~Sullivan & Cromwell LLP
[***]

if to the Lender, to it at the following address, as applicable:

prior to a Qualified IPO or an Ultimate Parent Spinout:

XYQ Luxco S.à r.l.
[***]

following a Qualified IPO or an Ultimate Parent Spinout:

XYQ Luxco S.à r.l.
[***]

with a copy (which shall not constitute notice) in any event, to:
[***]

if to the Collateral Agent, to it at the following address:

U.S. Bank Trust Company, National Association, as Collateral Agent
[***]

(b) Change of Address. Each party may change its address provided pursuant to this Section 10.01 by designating a new address for such party in a written notice to

the other parties complying as to delivery with the terms of this Section 10.01. All such notices and other communications shall be effective, (i) if mailed (certified mail, postage prepaid and return receipt requested), when received or three (3) days after being deposited in the mails, whichever occurs first, (ii) if telecopied, when transmitted and confirmation received, or (iii) if delivered by hand, Federal Express or other reputable overnight courier, upon delivery, except that notices to the Lender pursuant to Article II or to the Collateral Agent shall not be effective until received by the Lender or the Collateral Agent, as applicable.

(c) Electronic Communications.

(i) Each of the Lender and the Loan Parties may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Notices and other communications to the Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Lender. Any electronic communication system used by the Lender is provided on an as-available basis, and the Lender shall have no liability for any damage caused to any Loan Party or their respective property by any third party provider of such electronic communication system.

(ii) Unless the Lender otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (A), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (A) and (B) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

Section 10.02 Amendments, Etc.

(a) Except as otherwise provided in Section 10.02(f), no amendment, modification or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender and the Parent; provided, that, at any time when there are two or more Lenders pursuant to one or more partial assignments made by the Lender in accordance with Section 10.07, subject to the additional requirements of Sections 10.02(b), 10.02(d) and 10.02(e), no amendment, modification or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Parent.

(b) No amendment, modification or waiver of any provision of any Loan Document, and no consent to any departure by any Loan Party therefrom, shall:

(i) extend the scheduled final maturity of any Loan without the written consent of the Lender holding such Loan;

(ii) reduce the principal amount of any Loan without the written consent of the Lender holding such Loan;

(iii) increase or reinstate the Commitment of any Lender without the written consent of such Lender;

(iv) reduce the rate of interest on any Loan (other than any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.04(b)) without the written consent of the Lender holding such Loan;

(v) reduce any fee or premium payable under any Loan Document without the written consent of the Lender that is entitled to receive such fee or premium;

(vi) extend the time for payment of any interest on any Loan without the written consent of the Lender holding such Loan; or

(vii) extend the time for payment of any fee (including the Exit Fee) or premium (including the Premium) payable under any Loan Document without the written consent of the Lender that is entitled to receive such fee or premium.

(c) The written consent of one or more Lenders having or holding, as of the relevant date of determination, an aggregate principal amount of Loans outstanding as of such date representing more than 75% of the Loan or aggregate Loans outstanding hereunder as of such date is required in order to release or subordinate the Liens of the Collateral Agent in all or substantially all of the Collateral, or release any Borrower from its obligations hereunder or any Guarantor from its Guarantee or subordinate the rights or claims of any Lender with respect thereto, in each case, except as expressly provided in the Loan Documents; provided, in connection with a "credit bid" undertaken by the Collateral Agent at the direction of the Required Lenders pursuant to section 363(k), section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code or other sale or disposition of assets in connection with an enforcement action with respect to the Collateral permitted pursuant to the Loan Documents, only the consent of the Required Lenders will be needed for such release.

(d) Without the written consent of all Lenders, no amendment, modification or waiver of any provision of any Loan Document, or consent to any departure by any Loan Party therefrom, shall:

(i) amend, modify or waive any provision of this Section 10.02 or Section 10.07 or the definition of any term used therein;

(ii) amend, modify or waive any term or condition of this Agreement or any other Loan Document that expressly provides that the consent of all Lenders is required;

(iii) amend, modify or waive any provision of the definition of "Required Lenders"; or

(iv) consent to the assignment or transfer by any Loan Party of any of its rights and obligations under any Loan Document.

(e) Notwithstanding anything to the contrary herein, no Loan Party, Equity Investor or any of their respective Affiliates that becomes a lender hereunder shall have any right to approve or disapprove any amendment, waiver or consent under the Loan Documents and any Loans held by such Person for purposes hereof shall be automatically deemed to be voted pro rata according to the Loans of all other Lenders in the aggregate (other than such Loan Party or Equity Investor).

(f) Notwithstanding anything to the contrary herein, this Agreement and the other Loan Documents may be amended (or amended and restated) by a written instrument signed by the Lender to (x) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Lender) or (y) effect administrative changes of a technical or immaterial nature (including to effect administrative changes of a technical or immaterial nature to the terms, to provide for multiple lenders or to add an administrative agent hereunder to act on behalf of such lenders) and such amendment (or amendments and restatements) shall be deemed approved by the Parent if the Parent shall have received at least five (5) Business Days' prior written notice of such change and not objected thereto.

(g) The Borrower shall promptly deliver a copy of any amendment executed pursuant to this Section 10.02 to the Collateral Agent. No amendment shall affect the rights, privileges, immunities or duties of the Collateral Agent without the consent of the Collateral Agent.

Section 10.03 No Waiver; Remedies, Etc. No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any Loan Document preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Lender provided herein and in the other Loan Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Lender under any Loan Document against any party thereto are not conditional or contingent on any attempt by the Lender to exercise any of their rights under any other Loan Document against such party or against any other Person.

Section 10.04 Expenses; Attorneys' Fees. The Borrowers will pay on demand, all reasonable and documented out-of-pocket costs and expenses incurred by or on behalf of the Lender and Collateral Agent, arising from or relating to: (a) the negotiation, preparation, execution, delivery, performance and administration of this Agreement and the other Loan Documents (including the preparation of any additional Loan Documents or the review of any of

the agreements, instruments and documents referred to in Article VI), (b) any amendments, waivers or consents to this Agreement or the other Loan Documents whether or not such documents become effective or are given, (c) the preservation and protection of the Lender's and the Collateral Agent's rights under this Agreement or the other Loan Documents, (d) the defense of any claim or action asserted or brought against the Lender or the Collateral Agent by any Person that arises from or relates to this Agreement, any other Loan Document, the Lender's claims against any Loan Party, or any and all matters in connection therewith, (e) the commencement or defense of, or intervention in, any court proceeding arising from or related to this Agreement or any other Loan Document, (f) the filing of any petition, complaint, answer, motion or other pleading by the Lender or the Collateral Agent, or the taking of any action in respect of the Collateral or other security, in connection with this Agreement or any other Loan Document, (g) the protection, collection, lease, sale, taking possession of or liquidation of, any Collateral or other security in connection with this Agreement or any other Loan Document, (h) any attempt to enforce any Lien or security interest in any Collateral or other security in connection with this Agreement or any other Loan Document, (i) any attempt to collect from any Loan Party, (j) the rating of the Loans by one or more rating agencies in connection with the Lender's Securitization, and (k) the receipt by the Lender or the Collateral Agent of any advice from professionals with respect to any of the foregoing, but excluding any Taxes (which shall be dealt with under Section 2.07). Notwithstanding the foregoing, the Borrowers shall not be required to reimburse expenses in excess of [***] in connection with all fees and expenses incurred by Lender's counsel in the United States and [***] in the aggregate in connection with all fees and expenses incurred by Lender's local counsel or counsels in any Specified Jurisdiction (other than the United States), in each case through and including the Effective Date in connection with the negotiation and structuring of the facilities under the Loan Documents and the RIPSA, without the Parent's consent (such consent not to be unreasonably withheld, conditioned or delayed). Without limitation of the foregoing or any other provision of any Loan Document: (x) the Borrowers agree to pay all broker fees that may become due in connection with the transactions contemplated by this Agreement and the other Loan Documents and (y) if any Loan Party fails to perform any covenant or agreement contained herein or in any other Loan Document, the Lender may itself perform or cause performance of such covenant or agreement, and the expenses of the Lender incurred in connection therewith shall be reimbursed on demand by the Borrowers. The obligations of the Borrowers under this Section 10.04 shall survive the repayment of the Obligations, the discharge of any Liens granted under the Loan Documents or the earlier resignation or removal of the Collateral Agent.

Section 10.05 Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, the Lender may, and is hereby authorized to, at any time and from time to time, without notice to any Loan Party (any such notice being expressly waived by the Loan Parties) and to the fullest extent permitted by law, set off and apply any and all deposits in accounts that constitute Collateral (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by the Lender or any of their respective Affiliates to or for the credit or the account of any Loan Party against any and all obligations of the Loan Parties either now or hereafter existing under any Loan Document, irrespective of whether or not the Lender shall have made any demand hereunder or thereunder and although such obligations may be contingent or unmatured. The Lender agrees to notify such Loan Party promptly after any such set-off and application made by the Lender or any of its respective Affiliates, as applicable, provided that the failure to give such notice shall not affect the validity

of such set-off and application. The rights of the Lender under this Section 10.05 are in addition to the other rights and remedies (including other rights of set-off) which the Lender may have under this Agreement or any other Loan Documents of law or otherwise.

Section 10.06 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.07 Assignments and Participations.

(a) This Agreement and the other Loan Documents shall be binding upon and inure to the benefit of each Loan Party and the Lender and their respective successors and assigns; provided, however, that none of the Loan Parties may assign or transfer any of its rights hereunder or under the other Loan Documents without the prior written consent of the Lender and any such assignment without the Lender's prior written consent shall be null and void.

(b) The Lender may assign to one or more other lenders or other Persons all or a portion of its rights and obligations under this Agreement with respect to any Loan or portion thereof held by it with, so long as no Default has occurred and is continuing, the prior written consent the Parent (such consent not to be unreasonably withheld, conditioned or delayed); provided that no such consent of Parent shall be required in respect of an assignment to an existing Lender or to an Affiliate or a Related Fund of a Lender; provided, further, that (i) such assignment is in an amount which is at least $5,000,000 or a multiple of $100,000 in excess thereof (or the remainder of the Lender's Commitment), except that such requirements in respect of a minimum amount and multiples in excess thereof shall not apply to an assignment by a Lender to (x) a Lender, an Affiliate of a Lender or a Related Fund of a Lender or (y) a group of new Lenders, each of whom is an Affiliate or Related Fund of each other to the extent the aggregate amount to be assigned to all such new Lenders is at least $5,000,000 or a multiple of $100,000 in excess thereof; (ii) the parties to each such assignment shall execute and deliver to the Lender, for its acceptance, an Assignment and Acceptance, together with the promissory note, if any, subject to such assignment; (iii) no such assignment shall be made to any Loan Party, any Equity Investor or any of their respective Affiliates; (iv) Lender shall give the Swiss Borrower notice of such assignment or transfer (along with confirmation from the proposed assignee or transferee as to whether the assignee or transferee is a Qualifying Bank) at least ten (10) Business Days prior to such assignment or transfer; (v) the Swiss Borrower may make a written objection to such Lender prior to such assignment or transfer based on the Swiss Borrower's reasonable belief that such assignment or transfer could reasonably be expected to violate the 10 Non-Bank Rule; (vi) if such objection is made, such assignment or transfer shall be effected only with the Swiss Borrower's consent, not to be unreasonably withheld or delayed (it being unreasonable to withhold consent unless such assignment or transfer could reasonably be expected to violate the 10 Non-Bank Rule, including cases where there is reasonable doubt or uncertainty whether the confirmation of the assignee or transferee being a Qualifying Bank is correct or there is reasonable doubt or uncertainty whether the assignee or transferee could be regarded as several parties by the Swiss Federal Tax Administration) and (vii) Lender shall give the Borrower notice of such assignment or transfer (along with confirmation from the proposed

assignee or transferee in accordance with Section 2.07(i)). Upon such execution, delivery and acceptance, from and after the effective date specified in each Assignment and Acceptance and recordation on the Register, which effective date shall be at least three (3) Business Days after the delivery thereof to the Lender (or such shorter period as shall be agreed to by the Lender and the parties to such assignment), (A) the assignee thereunder shall become a "Lender" hereunder and, in addition to the rights and obligations hereunder held by it immediately prior to such effective date, have the rights and obligations hereunder that have been assigned to it pursuant to such Assignment and Acceptance and (B) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish such rights and be released from such obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, the Lender shall cease to be a party hereto).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto; (ii) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or any of its Subsidiaries or the performance or observance by any Loan Party of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement and the other Loan Documents, together with such other documents and information it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents; and (v) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Loan Documents are required to be performed by it as a Lender.

(d) The Registrar shall without liability, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain, or cause to be maintained, a copy of each Assignment and Acceptance delivered to and, to the extent needed, accepted by it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans (and stated interest thereon) owing to the Lender from time to time. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrowers, the Collateral Agent and the Lender shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Collateral Agent, Borrowers and any Lender party hereto at any reasonable time and from time to time upon reasonable prior notice. In connection with any amendment requiring the Collateral Agent's consent or direction to the Collateral Agent under the Loan Documents, the Collateral Agent shall be entitled to receive, and may conclusively rely on, a then-current copy of the Register,

and may, in its discretion, act or refuse to act until it is provided to it This Section 10.07(d) shall be construed so that the Loans and Commitment are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2), and 881(c)(2) of the Code. Additionally, the parties to each assignment shall execute and deliver to the Parent any tax forms or other documentation required to be delivered pursuant to Section 2.07.

(e) In the event that the Lender sells participations in a Loan, the Lender shall, acting for this purpose as a non-fiduciary agent on behalf of the Borrowers, maintain, or cause to be maintained, a register, on which it enters the name of all participants in the Loans held by it and the principal amount (and stated interest thereon) of the portion of the Loan that is the subject of the participation (the "Participant Register"). A Loan (and the registered note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register, which shall be conclusive absent manifest error. The Participant Register shall be available for inspection by the Borrowers and any Lender party hereto at any reasonable time and from time to time upon reasonable prior notice. The Participant Register shall be maintained in registered form within the meaning of Section 5f.103-1(c) of the Treasury Regulations.

(f) The Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment, the Loans made by it); provided that (i) the Lender's obligations under this Agreement (including its Commitment hereunder) and the other Loan Documents shall remain unchanged; (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and the Borrowers shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement and the other Loan Documents; and (iii) a participant shall not be entitled to require the Lender to take or omit to take any action hereunder except (A) action directly effecting an extension of the maturity dates or decrease in the principal amount of the Loans, (B) action directly effecting an extension of the due dates or a decrease in the rate of interest payable on the Loans or the fees payable under this Agreement, or (C) actions directly effecting a release of all or a substantial portion of the Collateral or any Loan Party.

(g) Each Borrower agrees that each participant in a Loan that has not become a Lender with respect to the assigned interest shall be entitled to the benefits of Section 2.07 (subject to the requirements and limitations therein, including the requirements under Section 2.07(e) (it being understood that the documentation required from the participant or assignee under Section 2.07(e) shall be provided in the first instance to the Person through whom such participation or assigned interest is held)) to the same extent as if it were a Lender and had acquired the relevant interest in the Loan by assignment under Section 10.07(b); provided that such (1) participant or assignee (i) agrees to be subject to the provisions of Section 2.07 as if it were a Lender that was an assignee under Section 10.07(b) and (ii) shall not be entitled to receive any greater benefit than the applicable Lender would have received if such participation or assignment had been effected as an assignment pursuant to Section 10.07(b) and (2) (i) the participant shall only be entitled to such benefits (including, for the avoidance of doubt, any

requirement to make an increased payment or make any payment for any Indemnified Taxes) if the effect of the participation is to make the participant the beneficial owner of the interest paid by the Borrower; and (i) Section 2.17(l) shall apply mutatis mutandis as if references to an assignment in that Section included a participation.

(h) The Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or loans made to the Lender pursuant to a securitization or similar credit facility (a "Securitization"); provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto. The Loan Parties shall cooperate with the Lender and its Affiliates to effect the Securitization including by providing such information as may be reasonably requested by the Lender in connection with the rating of its Loans or the Securitization.

Section 10.08 Counterparts; Execution. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. Any counterpart may be executed by facsimile or other electronic transmission, and such facsimile or other electronic transmission shall be deemed an original. The words "execution", "signed" and "signature" and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including "pdf", "tif" or "jpg") and other electronic signatures (including DocuSign and AdobeSign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable Law, including the Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable Law, including any state Law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. The foregoing shall apply to each other Loan Document *mutatis mutandis*. Any communication sent to Collateral Agent under this Credit Agreement that requires a signature must be in the form of a document that is signed in the manner provided above. The Loan Parties, the Lender and the Collateral Agent agree to assume all risks arising out of its use of digital signatures and electronic methods to submit communications to the Collateral Agent, including the risk of the Collateral Agent acting on unauthorized instructions (other than any instructions actually known by the Collateral Agent to be unauthorized or otherwise invalid) and the risk of interception and misuse by third parties; provided that neither any Loan Party nor the Lender assumes any such risks if such Loan Party or the Lender, respectively, incurs any loss, liability or expense as a result of the Collateral Agent's or any related person's willful misconduct or gross negligence (as determined by a final, non-appealable order of a court of competent jurisdiction).

Section 10.09 GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF

THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK (WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF THAT WOULD MANDATE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION).

Section 10.10 CONSENT TO JURISDICTION; SERVICE OF PROCESS AND VENUE.

(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK IN THE COUNTY OF NEW YORK OR OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, BOROUGH OF MANHATTAN, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH LOAN PARTY HEREBY IRREVOCABLY ACCEPTS IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH LOAN PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS AND IN ANY SUCH ACTION OR PROCEEDING BY ANY MEANS PERMITTED BY APPLICABLE LAW, INCLUDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE PARENT AT ITS ADDRESS FOR NOTICES PURSUANT TO SECTION 10.01, SUCH SERVICE TO BECOME EFFECTIVE 10 DAYS AFTER SUCH MAILING. THE LOAN PARTIES AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE LENDER TO SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY LOAN PARTY IN ANY OTHER JURISDICTION. EACH LOAN PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE JURISDICTION OR LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT ANY LOAN PARTY HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, EACH LOAN PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

Section 10.11 WAIVER OF JURY TRIAL. EACH LOAN PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, OR UNDER ANY AMENDMENT, WAIVER, CONSENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION THEREWITH, OR ARISING FROM

ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH LOAN PARTY CERTIFIES THAT NO OFFICER, REPRESENTATIVE, AGENT OR ATTORNEY OF THE LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM, SEEK TO ENFORCE THE FOREGOING WAIVERS.EACH LOAN PARTY HEREBY ACKNOWLEDGES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THIS AGREEMENT.

Section 10.12 Consent by the Lender. Except as otherwise expressly set forth herein to the contrary or in any other Loan Document, if the consent, approval, satisfaction, determination, judgment, acceptance or similar action (an "Action") of the Lender shall be permitted or required pursuant to any provision hereof or any provision of any other agreement to which any Loan Party is a party and to which the Lender has succeeded thereto, such Action shall be required to be in writing and may be withheld or denied by the Lender, in its sole discretion, with or without any reason, and without being subject to question or challenge on the grounds that such Action was not taken in good faith.

Section 10.13 No Party Deemed Drafter. Each of the parties hereto agrees that no party hereto shall be deemed to be the drafter of this Agreement.

Section 10.14 Reinstatement; Certain Payments. If any claim is ever made upon the Lender for repayment or recovery of any amount or amounts received by the Lender in payment or on account of any of the Obligations, the Lender shall give prompt notice of such claim to the Parent, and if the Lender repays all or part of such amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over the Lender or any of its property, or (ii) any good faith settlement or compromise of any such claim effected by the Lender with any such claimant, then and in such event each Loan Party agrees that (A) any such judgment, decree, order, settlement or compromise shall be binding upon it notwithstanding the cancellation of any Indebtedness hereunder or under the other Loan Documents or the termination of this Agreement or the other Loan Documents, and (B) it shall be and remain liable to the Lender hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by the Lender.

Section 10.15 Indemnification; Limitation of Liability for Certain Damages.

(a) In addition to each Loan Party's other Obligations under this Agreement, each Loan Party agrees to, jointly and severally, defend, protect, indemnify and hold harmless the Lender, the Collateral Agent, the Registrar and all of their respective Affiliates, officers, directors, employees, attorneys, consultants and agents (collectively called the "Indemnitees") from and against any and all losses, damages, liabilities, obligations, penalties, fees, reasonable costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred by such Indemnitees, whether prior to or from and after the Effective Date, whether direct, indirect or consequential, as a result of or arising from or relating to or in connection with any of the following: (i) the negotiation, preparation, execution, administration or performance or enforcement of this Agreement, any other Loan Document or of any other document executed

in connection with the transactions contemplated by this Agreement, (ii) the Lender's furnishing of funds to the Borrowers for the account of the Borrowers under this Agreement or the other Loan Documents, including the management of any such Loans or the Borrowers' use of the proceeds thereof, (iii) the Lender relying on any instructions of any Borrower or the handling of the Loan Account as herein provided, (iv) the Collateral Agent relying on any instructions of any Borrower and the Lender or the handling of the Collateral as provided herein or in any Security Document, (v) any matter relating to the financing transactions contemplated by this Agreement or the other Loan Documents or by any document executed in connection with the transactions contemplated by this Agreement or the other Loan Documents, (vi) all Environmental Liabilities and Costs relating to: (A) the presence, disposal, Release or threatened Release of any Hazardous Materials on any property owned or occupied by any Loan Party or any of its Subsidiaries, (B) any investigation, lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials, (C) any violation of Environmental Laws by any Loan Party or any of its Subsidiaries, and (D) any Environmental Actions filed against any Loan Party or its Subsidiaries, or (vii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto (collectively, the "Indemnified Matters"); provided, however, that the Loan Parties shall not have any obligation to any Indemnitee under this subsection (a) for any Indemnified Matter caused by the gross negligence or willful misconduct of such Indemnitee, as determined by a final non-appealable judgment of a court of competent jurisdiction. For purposes of this Section 10.15, the terms "Collateral Agent" and "Indemnitees" shall include the Lender or the Lender's designee acting as an agent of the Collateral Agent pursuant to Section 9.04 hereof.

(b) The indemnification for all of the foregoing losses, damages, fees, costs and expenses of the Indemnitees set forth in this Section 10.15 are chargeable against the Loan Account. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section 10.15 may be unenforceable because it is violative of any law or public policy, each Loan Party shall, jointly and severally, contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

(c) To the fullest extent permitted by applicable law, no party hereto shall assert, and each party hereby waives, any claim against any other party on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof.

(d) The indemnities and waivers set forth in this Section 10.15 shall survive the repayment of the Obligations, discharge of any Liens granted under the Loan Documents or the earlier resignation or removal of the Collateral Agent.

(e) This Section 10.15 shall not apply with respect to Taxes, other than Taxes arising from any non-Tax claim.

Section 10.16 Joint and Several Liability. Each Borrower shall be jointly and severally liable for all of the Obligations of each other Borrower, regardless of which Borrower

actually receives the proceeds or other benefits of the Loan or the manner in which Borrowers or the Lender accounts therefor in their respective books and records. Each Borrower acknowledges that it will enjoy significant benefits from the business conducted by each other Borrower because of, *inter alia*, their combined ability to bargain with other Persons including without limitation their ability to receive the Loan under this Agreement and the other Loan Documents which would not have been available to any Borrower acting alone. Each Borrower has determined that it is in its best interest to procure the credit facilities contemplated hereunder, with the credit support of each other Borrower as contemplated by this Agreement and the other Loan Documents. The Lender has advised each Borrower that it is unwilling to enter into this Agreement and the other Loan Documents and make available the credit facilities extended hereby or thereby to any Borrower unless each Borrower agrees, among other things, to be jointly and severally liable for the due and proper payment of the Obligations of each other Borrower. Each Borrower has determined that it is in its best interest and in pursuit of its purposes that it so induce the Lender to extend credit pursuant to this Agreement and the other Loan Documents executed in connection herewith (A) because of the desirability to each Borrower of the loan facility hereunder, (B) because each Borrower may engage in transactions jointly with other Borrowers and (C) because each Borrower may require, from time to time, access to funds provided under this Agreement for general corporate purposes. Each Borrower, individually, expressly understands, agrees and acknowledges, that the loan facility hereunder would not be made available on the terms herein in the absence of the collective credit of all the Borrowers, and the joint and several liability of all the Borrowers. Accordingly, each Borrower acknowledges that the benefit of the accommodations made under this Agreement to the Borrowers, as a whole, constitutes reasonably equivalent value, regardless of the amount of the indebtedness actually borrowed by, advanced to, or the amount of credit provided to, or the amount of collateral provided by, any one Borrower. To the extent that applicable law otherwise would render the full amount of the joint and several obligations of any Borrower hereunder and under the other Loan Documents invalid or unenforceable, such Person's obligations hereunder and under the other Loan Documents shall be limited to the maximum amount which does not result in such invalidity or unenforceability; provided, that each Borrower's obligations hereunder and under the other Loan Documents shall be presumptively valid and enforceable to their fullest extent in accordance with the terms hereof or thereof, as if this Section 10.16 were not a part of this Agreement. Each Borrower assumes responsibility for keeping itself informed of the financial condition of each other Borrower, and any and all endorsers and/or guarantors of any instrument or document evidencing all or any part of such other Borrower's Obligations, and of all other circumstances bearing upon the risk of nonpayment by such other Borrower of their Obligations, and each Borrower agrees that the Lender shall have no duty to advise such Borrower of information known to the Lender regarding such condition or any such circumstances or to undertake any investigation not a part of its regular business routine. If the Lender, in its sole discretion, undertakes at any time or from time to time to provide any such information to a Borrower, the Lender shall be under no obligation to update any such information or to provide any such information to such Borrower or any other Person on any subsequent occasion.

Section 10.17 Records. The unpaid principal and premium of and interest on the Loans, the interest rate or rates applicable to such unpaid principal and interest, the duration of such applicability, the Commitment, and the accrued and unpaid fees payable pursuant to Section

2.06 hereof, including the Premium and the Exit Fee, shall at all times be ascertained from the records of the Lender, which shall be conclusive and binding absent manifest error.

Section 10.18 Binding Effect. This Agreement shall become effective when it shall have been executed by each Loan Party and the Lender, and thereafter shall be binding upon and inure to the benefit of each Loan Party, the Lender, and their respective successors and assigns, except that the Loan Parties shall not have the right to assign their rights hereunder or any interest herein without the prior written consent of the Lender, and any assignment by the Lender shall be governed by Section 10.07 hereof.

Section 10.19 Highest Lawful Rate. It is the intention of the parties hereto that the Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby or by any other Loan Document would be usurious as to the Lender under laws applicable to it (including the laws of the United States of America and the State of New York or any other jurisdiction whose laws may be mandatorily applicable to the Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in this Agreement or any other Loan Document or any agreement entered into in connection with or as security for the Obligations, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to the Lender that is contracted for, taken, reserved, charged or received by the Lender under this Agreement or any other Loan Document or agreements or otherwise in connection with the Obligations shall under no circumstances exceed the maximum amount allowed by such applicable law, any excess shall be canceled automatically and if theretofore paid shall be credited by the Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be Paid In Full, refunded by the Lender, as applicable, to the Borrowers); and (ii) in the event that the maturity of the Obligations is accelerated by reason of any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to the Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall, subject to the last sentence of this Section 10.19, be canceled automatically by the Lender, as applicable, as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by the Lender, as applicable, on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be Paid In Full, refunded by the Lender to the Borrowers). All sums paid or agreed to be paid to the Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to the Lender, be amortized, prorated, allocated and spread throughout the full term of the Loans until Payment In Full so that the rate or amount of interest on account of any Loans hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (x) the amount of interest payable to the Lender on any date shall be computed at the Highest Lawful Rate applicable to the Lender pursuant to this Section 10.19 and (y) in respect of any subsequent interest computation period the amount of interest otherwise payable to the Lender would be less than the amount of interest payable to the Lender computed at the Highest Lawful Rate applicable to the Lender, then the amount of interest payable to the Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to the Lender until the total amount of interest payable to the

Lender shall equal the total amount of interest which would have been payable to the Lender if the total amount of interest had been computed without giving effect to this Section 10.19.

For purposes of this Section 10.19, the term "applicable law" shall mean that law in effect from time to time and applicable to the loan transaction between the Borrowers, on the one hand, and the Lender, on the other, that lawfully permits the charging and collection of the highest permissible, lawful non-usurious rate of interest on such loan transaction and this Agreement, including laws of the State of New York and, to the extent controlling, laws of the United States of America or any other jurisdiction from time to time where a Loan Party may be incorporated, formed or otherwise constituted.

The right to accelerate the maturity of the Obligations does not include the right to accelerate any interest that has not accrued as of the date of acceleration.

Section 10.20 Confidentiality. The Lender agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with its customary procedures for handling confidential information of this nature and in accordance with safe and sound practices of comparable commercial finance companies, any non-public information supplied to it by the Loan Parties pursuant to this Agreement or the other Loan Documents (and which at the time is not, and does not thereafter become, publicly available or available to such Person from another source not known to be subject to a confidentiality obligation to such Person not to disclose such information), provided that nothing herein shall limit the disclosure by the Lender of any such information (i) to its Affiliates and to its and its Affiliates' respective equity holders (including partners), directors, officers, employees, agents, trustees, counsel, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential in accordance with this Section 10.20); (ii) to any other party hereto; (iii) to parties involved in the Lender's Securitization; or (iv) to any assignee or participant (or prospective assignee or participant) or any party to a Securitization so long as such assignee or participant (or prospective assignee or participant) or party to a Securitization first agrees, in writing, to be bound by confidentiality provisions similar in substance to this Section 10.20; (v) to the extent required by any Requirement of Law or judicial process or as otherwise requested by any Governmental Authority; (vi) to the National Association of Insurance Commissioners or any similar organization, any examiner, auditor or accountant or any nationally recognized rating agency or otherwise to the extent consisting of general portfolio information that does not identify Loan Parties; (vii) in connection with any litigation to which the Lender is a party; (viii) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; or (ix) with the consent of the Parent. The Lender agrees, prior to any disclosure under clause (iv) or (vi) above to (A) any Governmental Authority that does not have supervisory, regulatory or other similar authority with respect to the Lender and that is seeking such disclosure solely in connection with an investigation, action, suit or other proceeding that does not otherwise involve the Lender or (B) any other Person that is not a Governmental Authority, to use reasonable efforts to notify the Parent of any request for the disclosure of any such confidential information so as to provide the Parent with a reasonable opportunity to obtain a protective order or other comparable relief, provided that the failure to so

notify the Parent shall not expose the Lender to any liability. Any confidentiality agreement executed and delivered by the Lender (or any Affiliate thereof) prior to the Effective Date shall be terminated as of the Effective Date.

Section 10.21 Public Disclosure. Each Loan Party agrees that neither it nor any of its Affiliates will now or in the future issue any press release or other public disclosure using the name of the Lender or any of its Affiliates or referring to this Agreement or any other Loan Document without the prior written consent of the Lender, except to the extent that such Loan Party or such Affiliate is required to do so under applicable law (in which event, such Loan Party or such Affiliate will consult with the Lender before issuing such press release or other public disclosure). Each Loan Party hereby authorizes the Lender, after consultation with the Parent, to advertise the closing of the transactions contemplated by this Agreement, and to make appropriate announcements of the financial arrangements entered into among the parties hereto, as the Lender shall deem appropriate, including on a home page or similar place for dissemination of information on the Internet or worldwide web, or in announcements commonly known as tombstones, in such trade publications, business journals, newspapers of general circulation and to such selected parties as the Lender shall deem appropriate.

Section 10.22 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

Section 10.23 USA PATRIOT Act. To the extent the Lender is subject to the requirements of the USA PATRIOT Act and hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the entities composing the Loan Parties, which information includes the name and address of each such entity and other information that will allow the Lender to identify the entities composing the Loan Parties in accordance with the USA PATRIOT Act. The Loan Party agrees to take such action and execute, acknowledge and deliver at its sole cost and expense, such instruments and documents as the Lender may reasonably require from time to time in order to enable the Lender to comply with the USA PATRIOT Act.

Section 10.24 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

Section 10.25 Effect of Payment in Full. When all Obligations hereunder which are accrued and payable have been Paid In Full, this Agreement and the Guarantees made herein shall terminate with respect to all Obligations, except with respect to Obligations that expressly survive such repayment pursuant to the terms of this Agreement.

Section 10.26 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and

conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by (i) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution and (ii) the effects of any Bail-In Action on any such liability, including, if applicable: (x) a reduction in full or in part or cancellation of any such liability, (y) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or (z) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 10.27 Judgment Currency. This is an international financial transaction in which the specification of a currency and payment in New York is of the essence. Dollars shall be the currency of account in the case of all payments pursuant to or arising under this Agreement or under any other Loan Document, and all such payments shall be made to the Loan Account in New York in immediately available funds. To the full extent permitted by applicable law, the obligations of each Loan Party to the Lender under this Agreement and under the other Loan Documents shall not be discharged by any amount paid in any other currency or in a place other than to the Loan Account in New York to the extent that the amount so paid after conversion under this Agreement and transfer to New York does not yield the amount of Dollars in New York due under this Agreement and under the other Loan Documents. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder in Dollars into another currency (the "Other Currency"), to the full extent permitted by applicable law, the rate of exchange used shall be that at which the Lender could, in accordance with normal procedures, purchase Dollars with the Other Currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Lender hereunder shall, notwithstanding any judgment in such Other Currency, be discharged only to the extent that, on the Business Day immediately following the date on which the Lender receives any sum adjudged to be so due in the Other Currency, the Lender may, in accordance with normal banking procedures, purchase Dollars with the Other Currency. If the Dollars so purchased are less than the sum originally due to the Lender in Dollars, each Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss, and if the Dollars so purchased exceed the sum originally due to the Lender in Dollars, the Lender agrees to remit to the Loan Parties such excess.

Section 10.28 Waiver of Immunity. To the extent that any Loan Party has or hereafter may acquire (or may be attributed, whether or not claimed) any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service of process or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such Loan Party hereby irrevocably waives and agrees not to plead or claim, to the fullest extent permitted by law, such immunity in respect of (a) its obligations under the Loan Documents, (b) any legal proceedings to enforce such obligations and (c) any legal proceedings to enforce any judgment rendered in any proceedings to enforce such obligations.

Each Loan Party hereby agrees that the waivers set forth in this Section 10.28 shall be to the full extent permitted under the Foreign Sovereign Immunities Act and are intended to be irrevocable for purposes of the Foreign Sovereign Immunities Act.

Section 10.29 Swiss Limitations. Notwithstanding anything to the contrary in this Agreement and the other Loan Documents, the obligations of the Swiss Borrower or any other Loan Party incorporated in Switzerland (collectively the "Swiss Loan Party") and the rights of the Collateral Agent and Lender under this Agreement and the other Loan Documents are subject to the following limitations:

(a) If and to the extent a guarantee or security interest granted or any other obligations assumed by a Swiss Loan Party under this Agreement and the other Loan Documents guarantees or secures obligations of its (direct or indirect) parent company (upstream security) or its sister companies (crossstream security) (the "Upstream or Cross-Stream Secured Obligations") and if and to the extent using the proceeds from the enforcement of such guarantee, security interest or other obligation to discharge the Upstream or Cross-Stream Secured Obligations would constitute a repayment of capital (*Einlagerückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) under Swiss corporate law, the proceeds from the enforcement of such guarantee, security interest or other obligation to be used to discharge the Upstream or Cross-Stream Secured Obligations shall be limited to the maximum amount of that Swiss Loan Party's freely disposable shareholder or quotaholder equity at the time of enforcement (the "Maximum Amount"); provided that such limitation is required under the applicable law at that time; provided, further, that such limitation shall not free the Swiss Loan Party from its obligations in excess of the Maximum Amount, but merely postpone the performance date of those obligations until such time or times as performance is again permitted under then applicable law. This Maximum Amount of freely disposable shareholder or quotaholder equity shall be determined in accordance with Swiss law and applicable Swiss accounting principles, and, if and to the extent required by applicable Swiss law, shall be confirmed by the auditors of the Swiss Loan Party on the basis of an interim audited balance sheet as of that time.

(b) In respect of Upstream or Cross-Stream Secured Obligations, the Swiss Loan Party shall, as concerns the proceeds resulting from the enforcement of the guarantee or security interest granted or other obligations assumed under this Agreement and the other Loan Documents, if and to the extent required by applicable law in force at the relevant time:

(i) procure that such enforcement proceeds can be used to discharge Upstream or Cross-Stream Secured Obligations without deduction of Swiss Withholding Tax by discharging the liability to such tax by notification pursuant to applicable law rather than payment of the tax;

(ii) if the notification procedure pursuant to sub-paragraph (i) above does not apply, deduct the Swiss Withholding Tax at such rate (currently thirty-five percent (35%) at the date of this Agreement) as is in force from time to time from any such

enforcement proceeds used to discharge Upstream or Cross-Stream Secured Obligations, and pay, without delay, any such taxes deducted to the Swiss Federal Tax Administration;

(iii) notify the Collateral Agent that such notification or, as the case may be, deduction has been made, and provide the Collateral Agent with evidence that such a notification of the Swiss Federal Tax Administration has been made or, as the case may be, such taxes deducted have been paid to the Swiss Federal Tax Administration; and

(iv) in the case of a deduction of Swiss Withholding Tax, use its best efforts to ensure that any person, which is entitled to a full or partial refund of the Swiss Withholding Tax deducted from such enforcement proceeds, will, as soon as possible after such deduction,

(A) request a refund of the Swiss Withholding Tax under applicable law (including tax treaties), and

(B) pay to the Collateral Agent upon receipt any amount so refunded.

(c) The Swiss Loan Party shall promptly take and promptly cause to be taken any action, including the following:

(i) the passing of any shareholders' or quotaholders' resolutions, as may be the case, to approve the use of the enforcement proceeds, which may be required as a matter of Swiss mandatory law in force at the time of the enforcement of the security interest in order to allow a prompt use of the enforcement proceeds;

(ii) preparation of up-to-date audited balance sheet of the Swiss Loan Party;

(iii) confirmation of the auditors of the Swiss Loan Party that the relevant amount represents the Maximum Amount;

(iv) conversion of restricted reserves into profits and reserves freely available for the distribution as dividends (to the extent permitted by mandatory Swiss law);

(v) to the extent permitted by applicable law, Swiss accounting standards, write-up or realize any of its assets that are shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of realization, however, only if such assets are not necessary for the Swiss Loan Party's business (*nicht betriebsnotwendig*); and

(vi) all such other measures necessary to allow the Swiss Loan Party to use enforcement proceeds as agreed hereunder with a minimum of limitations.

Section 10.30 Irish Limitations. The joint and several liability of any Irish Loan Party under this section does not apply to the extent that it would result in such liability

constituting unlawful financial assistance within the meaning of Section 82 of the Companies Act 2014 of Ireland.

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Exhibit 10.41

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE ROIVANT SCIENCES LTD. (THE "COMPANY") HAS DETERMINED THAT THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

EXECUTION VERSION

SECOND AMENDMENT TO FUNDING AGREEMENT

This Second Amendment to Funding Agreement (this "***Amendment***") is made as of May 24, 2024, by and among DERMAVANT SCIENCES GMBH, a company organized under the laws of Switzerland ("***Dermavant***"), DERMAVANT SCIENCES LTD., an exempted company organized under the laws of Bermuda, solely with respect to Section 8.7 and ARTICLE XI of the Funding Agreement (as defined below) ("***Dermavant Parent***" and, with Dermavant, the "***Dermavant Parties***"), and NOVAQUEST CO-INVESTMENT FUND VIII, L.P., a limited partnership organized under the laws of Delaware ("***NovaQuest***").

WHEREAS, Dermavant and NovaQuest previously entered into that certain Funding Agreement, dated as of July 10, 2018 (including the exhibits and other attachments thereto, and as amended by (i) the First Amendment to Funding Agreement, dated as of October 11, 2018, (ii) the Amendment to Funding Agreement, dated as of March 28, 2024, (iii) the Amendment to Funding Agreement, dated as of April 12, 2024, (iv) the Amendment to Funding Agreement, dated as April 29, 2024, (v) the Amendment to Funding Agreement, dated as of May 6, 2024, (vi) the Amendment to Funding Agreement, dated as of May 13, 2024, (vii) the Amendment to Funding Agreement, dated as of May 20, 2024 and (viii) the Amendment to Funding Agreement, dated as of May 23, 2024, the "***Existing Funding Agreement***", and as amended by this Amendment, the "***Funding Agreement***");

WHEREAS, Dermavant has requested, and NovaQuest has agreed, to make certain modifications to the terms of the Existing Funding Agreement as set forth in this Amendment, including joining Dermavant Parent and Parent as parties to the Funding Agreement;

WHEREAS, concurrently with the execution of this Amendment, Dermavant is entering into (i) that certain First Amendment to Revenue Interest Purchase and Sale Agreement, dated as of the date hereof, by and among Dermavant, Dermavant Parent, the purchasers party to the Revenue Interest Purchase and Sale Agreement and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank, National Association in its capacity as collateral agent (the "***Amendment to RIPSA***") and (ii) that certain First Amendment to Credit Agreement, dated as of the date hereof, by and among Dermavant, Dermavant Parent, Dermavant Sciences Irl, Limited, Dermavant Holdings Limited, the guarantors party thereto, XYQ Luxco S.à.r.l. and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank, National Association in its capacity as collateral agent (the "***Amendment to Credit Agreement***");

WHEREAS, in consideration for NovaQuest's entry into this Amendment, and as a condition precedent thereto, Dermavant Parent has agreed to issue to NovaQuest 73,417,622.00 common shares of Dermavant Parent in the aggregate (subject to the anti-dilution protections entered into therewith) (such shares, the "***Funding Agreement Shares***"); and

WHEREAS, as a further condition precedent to the effectiveness of this Amendment, the Amendment to RIPSA and the Amendment to Credit Agreement, Parent and Dermavant Parent have agreed to enter into that certain Equity Commitment Letter, dated as of the date hereof (the "***Equity Commitment Letter***"), pursuant to which Parent has agreed to make certain equity contributions to Dermavant Parent on the date hereof and from time to time hereafter.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, each of the Dermavant Parties and NovaQuest hereby covenants and agrees as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Existing Funding Agreement.

2. Amendments. Subject to the satisfaction of the conditions precedent specified in Section 4 hereof, on the Second Amendment Effective Date, the Existing Funding Agreement shall be amended as set forth on **Exhibit A** to this Amendment.

   (a) Language inserted into the applicable section of the Existing Funding Agreement is evidenced by bold and underline formatting (indicated textually in the same manner as the following example: double underlined text). Language deleted from the applicable section of the Existing Funding Agreement is evidenced by strike-through formatting (indicated textually in the same manner as the following example: ~~stricken text~~);

   (b) Except to the extent specifically set forth in **Exhibit A**, the Exhibits and Schedules to the Funding Agreement are not amended or modified hereby in any respect.

   It is agreed that no conforming revisions have been made to the Security Agreements or any agreement, instrument, certificate, report or document delivered pursuant to the Funding Agreement or the Security Agreements (the "***Transaction Documents***"), and, to the extent that there are other revisions to the Transaction Documents necessitated by this Amendment, the parties hereto agree to cooperate and make reasonable revisions to such other Transaction Documents to reflect the agreements contained in this Amendment. Any references to the Funding Agreement in the Transaction Documents shall mean the Funding Agreement as amended by this Amendment.

3. Reaffirmation of Transaction Documents. Dermavant, as Debtor under the Security Agreements, hereby (i) agrees that each of the Transaction Documents is, and shall continue to be, in full force and effect and is hereby in all respects ratified and confirmed on the Second Amendment Effective Date, except that, on and after the Second Amendment Effective Date, each reference to the "*Funding Agreement*", "*this Agreement*", "*thereunder*", "*thereof*" or words of like import shall, unless the context otherwise requires, mean and be a reference to the Existing Funding Agreement as amended by this Amendment and (ii) confirms that the Security Agreements and all of the Collateral described therein do, and shall continue to, secure the payment in full and performance of all of the obligations under the Transaction Documents.

4. Conditions Precedent to Effectiveness. This Amendment shall not be effective unless and until each of the following conditions precedent has been fulfilled to the satisfaction of NovaQuest (the date of such fulfillment, the "Second Amendment Effective Date"):

(a) This Amendment shall have been duly executed and delivered to NovaQuest by the Dermavant Parties;

(b) NovaQuest shall have received true, correct and complete fully-executed copies of (i) the Amendment to RIPSA, (ii) the Amendment to Credit Agreement, (iii) the Equity Commitment Letter, and (iv) an amendment to the Parity Intercreditor Agreement, in form and substance satisfactory to NovaQuest;

(c) NovaQuest shall have received the Funding Agreement Shares;

(d) [reserved];

(e) NovaQuest shall have received the following:

(i) an opinion of Sullivan & Cromwell LLP, counsel to the Dermavant Parties, as to matters related to U.S. law;

(ii) a capacity opinion of VISCHER AG, Swiss counsel to the Dermavant Parties;

(iii) a capacity opinion of Conyers Dill & Pearman Limited, Bermuda counsel to the Dermavant Parties;

(iv) a copy of the resolutions of each of the Dermavant Parties, certified as of the Second Amendment Effective Date by an officer thereof, authorizing the execution, delivery and performance by each of the Dermavant Parties of the Amendment and the execution and delivery of the other documents to be delivered by such Person in connection herewith;

(v) a certificate of the appropriate official(s) of the jurisdiction of organization, certifying as of a recent date not more than 30 days prior to the Second Amendment Effective Date as to the subsistence in good standing or qualification of each of the Dermavant Parties in such jurisdiction; and

(vi) a copy of the organizational documents of each of the Dermavant Parties, together with all amendments thereto, certified as of the Second Amendment Effective Date by an executive officer of each of the Dermavant Parties.

5. [***]

6. Representations and Warranties. Each of the Dermavant Parties hereby represents and warrants:

(a) The execution, delivery and performance by each of the Dermavant Parties of this Amendment and consummation by each of the Dermavant Parties of the transactions contemplated by this Amendment and performance under this Amendment do not and will not (i) conflict with any of its organizational, constitutional or constituent documents; (ii) contravene, conflict with, constitute a default under or violate any Applicable Law except as would not reasonably be expected to have a Material Adverse Effect; (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which it or any of its property or assets may be bound or affected except as would not reasonably be expected to have a Material Adverse Effect; (iv) require any action by, filing, registration, or qualification with, or approval of, any Governmental Authority (except such approval which has already been obtained and is in full force and effect, or the filing of any UCC financing statement) except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; or (v) constitute a default under or conflict with any Material Contract that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(b) This Amendment has been duly authorized, executed and delivered by each of the Dermavant Parties and constitutes a legal, valid and binding agreement each of the Dermavant Parties, enforceable in accordance with its terms (subject to general equitable principles, insolvency, liquidation, reorganization and other Applicable Laws of general application relating to creditors' rights).

7. [***]

(a) [***]

(b) [***]

8. Miscellaneous.

(a) Except as otherwise expressly provided herein, (i) all provisions of the Funding Agreement and the other Transaction Documents remain in full force and effect and (ii) the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of NovaQuest, nor constitute a waiver of any provision of the Existing Funding Agreement or any of the Transaction Documents. NovaQuest is under no obligation to enter into this Amendment. The entering into of this Amendment by such parties shall not be deemed to limit or hinder any rights of any such party under the Transaction Documents, nor shall it be deemed to create or infer a course of dealing between any such party, on the one hand, and the Funding Agreement, on the other hand, with regard to any provision of the Transaction Documents.

(b) Article X (Indemnification), Sections 11.1 (Governing Law) through 11.10 (Waiver), 11.12 (Third Party Beneficiaries), 11.13 (Interpretation), 11.15 (No Implied Licenses), 11.16 (Counterparts), 11.17 (Further Assurances) and 11.18 (Remedies) of the Funding Agreement shall apply to this Amendment *mutatis mutandis*.

(c) The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby (including without limitation assignments, assumptions, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by NovaQuest, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DERMAVANT SCIENCES GMBH

By: _____
Name:
Title:

DERMAVANT SCIENCES LTD.

By: _____
Name:
Title:

NOVAQUEST CO-INVESTMENT FUND VIII, L.P.

By: NQ POF V GP (Delaware), LLC

By: NQ POF V GP, L.P., its sole member

By: NQ POF V GP, Ltd., its general partner

By: _____
Name:
Title:

[*Signature Page of Second Amendment to Funding Agreement*]

EXHIBIT A

FUNDING AGREEMENT

This Funding Agreement (as amended by (i) the First Amendment, as defined below, (ii) the Second Amendment, as defined below, (iii) the Amendment to Funding Agreement, dated as of March 28, 2024, (iv) the Amendment to Funding Agreement, dated as of April 12, 2024, (v) the Amendment to Funding Agreement, dated as of April 29, 2024, (vi) the Amendment to Funding Agreement, dated as of May 6, 2024, (vii) the Amendment to Funding Agreement, dated as of May 13, 2024, (viii) the Amendment to Funding Agreement, dated as of May 20, 2024, and (ix) the Amendment to Funding Agreement, dated as of May 22, 2024, this "***Agreement***") is entered into as of July 10, 2018 (the "***Effective Date***"), between Dermavant Sciences GmbH, a company organized under the laws of Switzerland ("***Dermavant***"), solely with respect to Section 8.7 and ARTICLE XI, Dermavant Sciences Ltd., an exempted company organized under the laws of Bermuda ("***Dermavant Parent***"), and NovaQuest Co-Investment Fund VIII, L.P. a limited partnership organized under the laws of Delaware, with a place of business at 4208 Six Forks Road, Suite 920 Raleigh, NC 27609 ("***NovaQuest***"). Dermavant, Dermavant Parent, and NovaQuest are each referred to herein by name or, individually, as a "***Party***" or, collectively, as "***Parties***."

INTRODUCTION

A. Dermavant is dedicated to the research, development and commercialization of products for the treatment of certain human diseases, disorders, and conditions.

B. NovaQuest and Dermavant desire to enter into an agreement pursuant to which NovaQuest will fund in part Dermavant's acquisition of rights to the Product (as defined below) pursuant to that certain Asset Purchase Agreement (the "***APA***"), to be dated on or around the date hereof, by and among Dermavant, GlaxoSmithKline Intellectual Property Development Ltd, and Glaxo Group Limited.

C. Simultaneously with the Closing, [***], ~~will enter~~ entered into a [***] with NovaQuest, whereby [***].

NOW, THEREFORE, in consideration of the premises and mutual covenants herein below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.1 When used and capitalized in this Agreement (other than the headings of the Articles and Sections), including the foregoing recitals, exhibits, and schedules hereto, the following terms shall have the meanings assigned to them in this Article and include the plural as well as the singular.

"***10 Non-Bank Rule***" means the rule that the aggregate number of lenders under this Agreement which are not Qualifying Banks must not at any time exceed ten (10), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time.

"***20 Non-Bank Rule***" means the rule that the aggregate number of creditors (including the lenders under this Agreement), other than Qualifying Banks, of the Swiss Borrower under all its outstanding debts relevant for classification as debenture (Kassenobligation) must not at any time exceed twenty (20), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time.

[***] has the meaning set forth in Section 11.3(a) (Dispute Resolution).

[***] has the meaning set forth in Section 11.3(a) (Dispute Resolution).

"***AD Indication***" means atopic dermatitis.

~~"***AD Milestone Payment***" has the meaning set forth in Section 4.1(a)(i) (Quarterly Interest Payments).~~

"***Affiliate***" means, with respect to an entity, any business entity controlling, controlled by, or under common control with, such entity, but only so long as such control exists. For the purposes of this definition, "controlling," "controlled", and "control" mean the possession, directly (or indirectly through one or more intermediary entities), of the power to direct the management or policies of an entity, including through ownership of fifty percent (50%) or more of the voting securities of such entity (or, in the case of an entity that is not a corporation, ownership of fifty percent (50%) or more of the corresponding interest for the election of the entity's managing authority).

"***Agreement***" has the meaning set forth in the preamble hereto.

"***APA***" has the meaning set forth in Section B of the Introduction hereto.

"***Applicable Law***" means any applicable law, rule, or regulation of any Governmental Authority of competent jurisdiction, or judgment, order, writ, decree, permit, or license of any Governmental Authority of competent jurisdiction.

"***Applicable Rate***" means an interest rate of twelve percent (12%) per annum.

"***Arbitration***" has the meaning set forth in Section 11.3(a) (Dispute Resolution).

"***Arbitration Notice***" has the meaning set forth in Section 11.3(a) (Dispute Resolution).

"***Arbitrator***" has the meaning set forth in Section 11.3(b) (Selection of Arbitrators).

~~"***Auditor***" has the meaning set forth in Section 4.5 (Audit Dispute).~~

"***Bankruptcy Law***" means title 11, United States Code, any similar U.S. federal or state law for the voluntary or involuntary relief of debtors or borrowers, or any similar Swiss, Bermudan, English, and other non-U.S. laws regarding insolvency, bankruptcy, composition, or similar proceedings, or other law for the relief of debtors or borrowers.

"***Bankruptcy Event***" means (i) a [***], (ii) an Involuntary Bankruptcy, or (iii) a Swiss Bankruptcy.

"***Business Day***" means any day other than Saturday, Sunday, or any day on which banking institutions located in New York, New York (United States) or Basel, Switzerland are permitted or obligated by law to close.

"***Change of Control***" means any of the following:

~~"***Change of Control***" means any of the following:~~ (i) the sale or disposition (including by exclusive license or sublicense), in one or a series of related transactions, of all or substantially all of the assets of Dermavant to a Third Party;

(ii) ~~the acquisition by a Third Party of~~Parent ceasing to beneficially own, directly or indirectly, including through one or more intermediaries, more than fifty percent (50%) of the voting power of the outstanding voting securities of Dermavant; Parent or Dermavant;

(iii) the merger or consolidation of Dermavant with or into a Third Party, other than, in the case of this clause (iii), a merger or consolidation of Dermavant in which holders of voting securities of Dermavant immediately prior to such merger or consolidation will beneficially hold, directly or indirectly, including through one or more intermediaries, at least fifty percent (50%) of the voting power of the outstanding voting securities of the acquiring Third Party or the surviving corporation in such merger or consolidation, as the case may be, immediately after such ~~acquisition~~merger or consolidation; ~~provided, however, that if: (x) the acquiring entity (or its parent entity) in any transaction set forth in clause (i), (ii), or (iii) is a Qualified Party, and (y) the surviving entity in such transaction expressly agrees to assume Dermavant's obligations under the Agreement, then such transaction shall not be deemed to constitute a Change of Control.~~ or

(iv) the merger or consolidation of Dermavant Parent with or into a Third Party, other than, in the case of this clause (iv), a merger or consolidation of Dermavant Parent in which holders of voting securities of Dermavant Parent immediately prior to such merger or consolidation will beneficially hold, directly or indirectly, including through one or more intermediaries, at least fifty percent (50%) of the voting power of the outstanding voting

securities of the acquiring Third Party or the surviving corporation in such merger or consolidation, as the case may be, immediately after such merger or consolidation;

[***]

For the purposes of determining beneficial ownership above, a beneficial owner shall have the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

[***]

"***Closing***" has the meaning set forth in Section ~~2.3~~2.3(a) (Closing).

"***Closing Date***" means the date on which the Closing actually occurs.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Combination Product***" means a Product that is comprised of or contains the compound set forth in Schedule 1 in addition to one or more additional active ingredients (whether co-formulated or co-packaged) that are neither the compound set forth in Schedule 1, nor generic or other non-proprietary compositions of matter.

"***Commercialize***", "***Commercializing***", or "***Commercialization***" means any and all activities directed to marketing, promoting, distributing, importing, exporting, offering to sell, or selling the Product, including manufacturing and activities directed to obtaining Pricing Approvals, if applicable.

"***Commercially Reasonable Efforts***" means, with respect to each Indication, (i) before receipt of Marketing Approval of the Product in a jurisdiction, the level of effort and resources, consistent with the exercise of prudent scientific and business judgment, that would be dedicated by a publicly traded pharmaceutical company with a market capitalization in excess of one billion dollars ($1,000,000,000) to the development of a product at a similar stage in its lifecycle to the Product, and (ii) after receipt of Marketing Approval of the Product in a jurisdiction, the level of effort and resources, consistent with the exercise of prudent scientific and business judgment, that would be dedicated by a publicly traded pharmaceutical company with a market capitalization in excess of one billion dollars ($1,000,000,000) to manufacturing and commercialization of a product of similar commercial potential to the Product as determined on a market-by-market basis, all without regard to any payments owed to NovaQuest. Without limiting or derogating from the foregoing, Commercially Reasonable Efforts requires that

Responsible Parties: (a) set specific and meaningful objectives and timelines for carrying out the Development activities (in accordance with the Development Plan) and Commercialization activities and (b) allocate resources reasonably designed to advance progress with respect to such objectives and timelines. Notwithstanding the foregoing, Commercially Reasonable Efforts for the development and commercialization of the Product outside of the United States shall not be measured with reference to any minimum market capitalization or public company status.

"***Competing Product***" means a branded topical product that: (a) has received marketing approval in the United States to treat the same Indication(s) for which the Product has received Marketing Approval, (b) is not a product or product candidate owned, licensed or under development by Dermavant as of the Closing, and (c) ~~achieves~~has achieved at least [***] market share in that Indication in the United States in any given ~~quarter~~ [***] (measured by total volume of prescriptions in that Indication in the United States, as reported by EvaluatePharma, or a similar company to the extent EvaluatePharma's data is not available).

"***Confidential Information***" has the meaning set forth in Section 6.1 (Definition of Confidential Information).

"***Controlled Affiliate***" means, with respect to Dermavant, Dermavant ~~Sciences Ltd.~~Parent, or an Affiliate that is under the control of Dermavant ~~Sciences Ltd~~Parent. In no event shall an Affiliate that controls Dermavant ~~Sciences Ltd.~~Parent, or that is under common control with Dermavant ~~Sciences Ltd.~~Parent, be deemed a "Controlled Affiliate" of Dermavant.

"***Cover***" means that the use, manufacture, sale, offer for sale, development, commercialization, or importation of the subject matter in question by an unlicensed entity would infringe a claim of a Patent.

"***CRE Considerations***" means issues relating to safety, efficacy, the proposed product label, patent protection (including scope, strength of claims, and term), market potential, anticipated pricing, reimbursement terms, manufacturing costs and other costs of goods sold, addressable patient population, potential competition from third parties, the regulatory environment, and other relevant scientific and technical factors, all without regard to any payments owed to NovaQuest.

~~"***Dermavant***" has the meaning set forth in the preamble hereto.~~

"***Custodian***" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"***Dermavant***" has the meaning set forth in the preamble hereto.

[***]

"***Dermavant Parent***" has the meaning set forth in the preamble hereto.

[***]

"***Develop***", "***Developing***", or "***Development***" means engaging in manufacturing, preclinical, clinical, or other research and development activities directed towards obtaining Marketing Approval of the Product.

"***Development Plan***" means the plan attached hereto as Exhibit 1, setting forth the Product Development Activities for the Product, as amended from time to time in accordance with the terms of this Agreement.

"***Disclosing Party***" has the meaning set forth in Section 6.1 (Definition of Confidential Information).

"***Dispute***" has the meaning set forth in Section 11.3(a) (Dispute Resolution).

"***Dispute Notice***" has the meaning set forth in Section 11.3(a) (Dispute Resolution).

"***Effective Date***" has the meaning set forth in the preamble hereto.

"***Equity Commitment Letter***" means that certain Equity Commitment Letter, dated as of the Second Amendment Effective Date, by and between Parent and Dermavant Parent, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time in accordance with the terms hereof.

"***European Union***" or "***E.U.***" means the European Union, as its membership may be constituted from time to time.

~~"***E.U. AD Milestone Payment Trigger Date***" means the first anniversary of receipt by a Responsible Party of Marketing Approval for the Product for the AD Indication in the EU; provided, however, that there shall be no E.U. AD Milestone Payment Trigger Date if any Responsible Party has obtained Marketing Approval for the Product for the AD Indication in the United States either before such E.U. approval or within~~ [***] ~~of receipt of such approval in the E.U.~~

~~"***E.U. Psoriasis Milestone Payment Trigger Date***" means the first anniversary of receipt by a Responsible Party of Marketing Approval for the Product for the Psoriasis Indication in the EU; provided, however, that there shall be no E.U. Psoriasis Milestone Payment Trigger Date if any Responsible Party has obtained Marketing Approval for the Product for the Psoriasis Indication in the United States either before such E.U. approval or within~~ [***] ~~of receipt of such approval in the E.U.~~

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to NovaQuest or required to be withheld or deducted from a payment to NovaQuest: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case (i) imposed as a result of NovaQuest being organized under the laws of, or having its principal office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes; (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of NovaQuest pursuant to a law in effect on the latter of the date on which (i) NovaQuest becomes a party hereto or acquires its right to receive payments hereunder or (ii) Dermavant assigns its rights and obligations to an Affiliate that is a U.S. Person; (c) Taxes attributable to NovaQuest's failure to comply with Section 4.4(b); (d) any withholding Taxes imposed under FATCA; (e) Taxes resulting directly from NovaQuest changing its jurisdiction of domicile or form of legal entity; and (f) Swiss Withholding Tax imposed as a result of NovaQuest (i) making an incorrect declaration of its status as to whether or not it is a Qualifying Bank or (ii) failing to comply with its obligations under Section 11.7 (Successors and Assigns). For the purposes of the definition of "Excluded Taxes," the term "NovaQuest" includes any subsequent lenders (successors or assignees of NovaQuest according to Section 11.7 ((Successors and Assigns)).

"***FATCA***" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such sections of the Code.

"***FDA***" means the United States Food and Drug Administration, or any successor agency thereto.

"***First Amendment***" means the First Amendment to Funding Agreement, dated as of October 11, 2018, by and between Dermavant and NovaQuest.

"***First Subsequent Closing***" has the meaning set forth in Section 2.3(b) (Closing).

"***Fiscal Quarter***" means each of the following three-month periods during each Fiscal Year: January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31; provided, that the first Fiscal Quarter shall commence on the Closing Date and end on the last day of the month of next quarter end (i.e., March 31, June 30, September 30, or December 31, as applicable).

"***Fiscal Year***" means the twelve (12)-month period from April 1 through March 31.

"***GAAP***" means generally accepted accounting principles, as in effect on the date or for the period with respect to which such standards are applied.

"***Governmental Authority***" means any multi-national, national, federal, state, local, or foreign court or governmental agency, authority, instrumentality, or regulatory body.

[***]

"***Guidelines***" means, together, guideline S-02.123 in relation to interbank loans of 22 September 1986 (Merkblatt ""Verrechnungssteuer auf Zinsen von Bankguthaben, deren Gläubiger Banken sind (Interbankguthaben)"" vom 22. September 1986), guideline S-02.122.1 in relation to bonds of April 1999 (Merkblatt ""Obligationen"" vom April 1999), guideline S-02.130.1 in relation to money market instruments and book claims of April 1999 (Merkblatt vom April 1999 betreffend Geldmarktpapiere und Buchforderungen inländischer Schuldner), guideline S-02.128 in relation to syndicated credit facilities of January 2000 (Merkblatt ""Steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen"" vom Januar 2000), circular letter No. 34 of 26 July 2011 (1-034-V-2011) in relation to deposits (Kreisschreiben Nr. 34 ""Kundenguthaben"" vom 26. Juli 2011) and the circular letter No. 15 of 7 February 2007 (1-015-DVS-2007) in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss withholding tax and Swiss stamp taxes (Kreisschreiben Nr. 15 ""Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer und der Stempelabgaben"" vom 7. Februar 2007), in each case as issued, amended or replaced from time to time, by the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time.

"***IFRS***" means international accounting standards, as in effect on the date or for the period with respect to which such standards are applied, as established by the International Financial Reporting Standards.

"***Immaterial Subsidiary***" means, at any time, any Subsidiary of Dermavant Parent that (x) has, excluding its Subsidiaries, (i) total assets that are individually less than 3.75% of the consolidated total assets of Dermavant Parent and its Subsidiaries in the aggregate and (ii) gross revenues that are individually less than 3.75% of the consolidated gross revenues of Dermavant Parent and its Subsidiaries in the aggregate; provided, however, that if, at any time, the aggregate amount of the consolidated total assets or consolidated gross revenues attributable to all Subsidiaries of Dermavant Parent that would otherwise be Immaterial Subsidiaries exceeds 7.5% in the aggregate of the consolidated total assets or consolidated gross revenues, respectively, of Dermavant Parent and its Subsidiaries, only those Immaterial Subsidiaries with the smallest percentage of assets (not exceeding 7.5% in the aggregate of the consolidated total assets of Dermavant Parent and its Subsidiaries) shall constitute Immaterial Subsidiaries.

"***Involuntary Bankruptcy***" means a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (i) is for relief against Dermavant, Dermavant Parent or Dermavant Parent's other Subsidiaries (other than Immaterial Subsidiaries) in an involuntary case; (ii) appoints a Custodian of Dermavant, Dermavant Parent or Dermavant Parent's other

Subsidiaries (other than Immaterial Subsidiaries) or for any substantial part of their property; or (iii) orders the winding up or liquidation of Dermavant, Dermavant Parent or Dermavant Parent's other Subsidiaries (other than Immaterial Subsidiaries); or any similar relief is granted under any non-U.S. Bankruptcy Law.

"***Indemnified Party***" has the meaning set forth in Section 10.2(a) (Notice).

"***Indemnifying Party***" has the meaning set forth in Section 10.2(a) (Notice).

"***Indication***" means each of the AD Indication and the Psoriasis Indication.

"***Indications***" means both of the ~~forgoing~~foregoing, collectively.

"***Initial Public Offering***" means either: (a) the first underwritten public offering of equity securities by Dermavant or a Controlled Affiliate pursuant to the Securities Act, or (b) any transaction in which fifty percent (50%) or more of the equity securities of Dermavant or a Controlled Affiliate are acquired by an entity with a class of securities registered under Section 12(b) or 12(g) of the Exchange Act and in which Dermavant's or such Controlled Affiliate's stockholders immediately prior to such transaction will hold a majority of the voting securities of the surviving entity immediately after such transaction.

~~"***Japan AD Milestone Payment Trigger Date***" means the first anniversary of receipt by a Responsible Party of Marketing Approval for the Product for the AD Indication in Japan; provided, however, that there shall be no Japan AD Milestone Payment Trigger Date if any Responsible Party has obtained Marketing Approval for the Product for the AD Indication in the United States either before such Japanese approval or within~~ [***] ~~of receipt of such approval in Japan.~~

~~"***Japan Psoriasis Milestone Payment Trigger Date***" means the first anniversary of receipt by a Responsible Party of Marketing Approval for the Product for the Psoriasis Indication in Japan; provided, however, that there shall be no Japan Psoriasis Milestone Payment Trigger Date if any Responsible Party has obtained Marketing Approval for the Product for the Psoriasis Indication in the United States either before such Japanese approval or within~~ [***] ~~of receipt of such approval in Japan.~~

"***Joint Steering Committee***" or "***JSC***" has the meaning set forth in Section 5.2(a) (Generally).

"***Liabilities***" means any and all indebtedness, liabilities, and obligations, whether accrued, fixed or contingent, mature or inchoate, known or unknown, reflected on a balance sheet, or otherwise, including those arising under any law or judgment of any court of any kind or any award of any arbitrator of any kind, and those arising under any contract, commitment, or undertaking.

"***License Agreement***" means (i) any license of Product Rights granted by Dermavant or its Affiliates to a Third Party and (ii) a sublicense of Product Rights granted by a Licensee, [***].

"***Licensee***" means a Third Party that is granted any Product Rights under a License Agreement.

"***Lien***" means any mortgage, lien, pledge, deed of trust, hypothecation, title defect, charge, security interest, or other encumbrance of any nature.

"***Losses***" has the meaning set forth in Section 10.1(a) (By Dermavant).

"***Marketing Approval***" means, for the Product, any and all approvals (including supplements, amendments, pre- and post-approvals), licenses, registrations, or authorizations of any national, supra-national (e.g., the European Commission or the Council of the European Union), regional, state, or local regulatory agency, department, bureau, commission, council, or other governmental entity, that are necessary for the manufacture, distribution, use, sale, and marketing of the Product for one or both of the Indications.

~~"***Marketing Approval Revocation/Withdrawal***" means, with respect to the Product, (a) any public announcement by the FDA, including in accordance with Section 915 of the Food and Drug Administration Amendments Act of 2007, that the Product is being withdrawn due a risk of death, a life-threatening condition, or serious safety or health risks to patients, or (b) initiation of withdrawal of the Product by a Responsible Party upon making a reasonable and good faith determination that the Product presents a risk of death, a life-threatening condition, or such serious safety or health risks to patients such that, based on then-available data, the Responsible Party cannot ethically and in good faith continue to administer or promote the Product to patients.~~

"***Marketing Approval Support Documents***" means any required applications, filings, or submissions provided to Regulatory Authorities or Governmental Authorities in connection with obtaining a Marketing Approval.

"***Material Adverse Effect***" means a material adverse effect on (a) the validity or enforceability of this Agreement; (b) the ability of Dermavant or any other Responsible Party to perform any of Dermavant's material obligations under this Agreement; or (c) the Development or Commercialization of the Product.

"***Material Adverse Event***" means (a) any Regulatory Authority has imposed, or communicated its intent to impose, a suspension, clinical hold, or other adverse regulatory action regarding the Development Plan or the Product where such action has had or would reasonably be expected to have a material adverse effect on the further Development of the Product;

(b) Dermavant or any other Responsible Party terminates a clinical study contained in the Development Plan; or (c) the occurrence of any of the events described in the definition of Technical Failure.

"***Material Contract***" means (a) any material agreement to which Dermavant or any Responsible Party (other than a Licensee that has rights to Develop or Commercialize the Product only pursuant to a Solely Ex-U.S. License Agreement) is a party related to the Development, marketing, promotion, manufacture, sale, or distribution of the Product or (b) any other agreement to which Dermavant or any Responsible Party (other than a Licensee that has rights to Develop or Commercialize the Product only pursuant to a Solely Ex-U.S. License

Agreement) is a party for which breach, non-performance, or failure to renew by a party thereto would reasonably be expected to have a Material Adverse Effect.

~~"***Measurement Period***" has the meaning set forth in Section 4.1(b) (Sales Milestone Interest Payments).~~

"***Maximum Payment***" means [***].

"***NDA***" means a new drug application (as defined in Title 21 of the CFR, as amended from time to time) submitted to the FDA seeking approval to introduce, distribute, sell, or market a drug product for human therapeutic use in the U.S. (including a new drug application submitted under Section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act).

~~"***Net Sales***" means the gross amount invoiced by Dermavant, its Affiliates, and its or their Licensees to Third Parties for sales of the Product anywhere in the world, less the following items to the extent allocable to such Product calculated in accordance with GAAP or IFRS:~~

~~(a) Trade, quantity and cash discounts allowed and actually taken or accrued for sales of the Product;~~

~~(b) Discounts, refunds, rebates (including, but not limited to, wholesaler inventory management fees), credits, cost of free goods, chargebacks, retroactive price adjustments, and any other customary allowances actually taken or accrued for sales of the Product, which effectively reduce the net selling price;~~

~~(c) Other payments required by law to be made under Medicaid, Medicare, or other government special medical assistance programs;~~

~~(d) Write-offs or allowances for bad debts;~~

~~(e) Credits for actual product returns, recalls, rejections, and allowances for sales of the Product;~~

~~(f) Price reductions or rebates, retroactive or otherwise, imposed by or negotiated with Governmental Authorities with regard to sales of the Product;~~

~~(g) Charges for freight, postage, shipping, delivery, service and insurance charges;~~

~~(h) Fees or commissions paid to non-affiliated brokers or agents, or other third-party distributors, including specialty distributors;~~

~~(i) Taxes imposed on the production, sale, delivery or any other disposition of the Product, including, without limitation, sales, use, excise, turnover, inventory, or value added Taxes (but excluding Taxes imposed on or with respect to net income, however denominated); and~~

~~(j) Any other charges, costs, expenses, or accruals that are customarily deducted in the determination of "net sales" in accordance with GAAP or IFRS, as applicable, and as consistently applied by those Responsible Parties who are engaged in sales of the Product.~~

~~Net Sales shall not include sales or other dispositions of a Product by Dermavant, its Affiliates, and its or their Licensees to Third Parties for sales of the Product anywhere in the world for purposes of resale by any of the parties in the foregoing, provided, however, that a Product's resale shall be included in Net Sales.~~

~~Net Sales shall be determined from the books and records of each Responsible Party maintained in accordance with GAAP or IFRS, as applicable, consistently applied.~~

~~In the event that the Product is sold as part of a Combination Product, then Net Sales for such Combination Product shall be calculated by multiplying the Net Sales of the Combination Product in the applicable period by the fraction: A divided by (A+B), in which "A" is the average selling price of the Product, as applicable, sold in substantial quantities comprising the related Product as the sole therapeutically active ingredient in the applicable country, and "B" is the average selling price of any product that is sold separately in substantial quantities comprising the other therapeutically active ingredients in such country, in each case during the accounting period in which the sales of the Combination Product were made, or if no sales of the Product, as applicable, or product comprising the other active ingredients occurred during such period, then such average selling prices as sold during the most recent accounting period in which such sales did occur in such country. If the Product, as contained in such Combination Product, is not sold separately in finished form in such country, Dermavant and NovaQuest shall submit the matter to an independent valuation to be conducted by a valuation firm mutually accepted by the Parties.~~

~~"***Net Sales Report***" has the meaning set forth in Section 4.1(c) (Net Sales Reports).~~

"***Non-Bank Rules***" means, together, the 10 Non-Bank Rule and the 20 Non-Bank Rule.

"***Non-Technical Termination Payment***" means (i) one hundred million dollars ($100,000,000), plus an amount equal to the Applicable Rate (compounded annually), starting on the Closing Date and ending on the date on which such Non-Technical Termination Payment is delivered to NovaQuest in accordance with Section ~~3.2(c)(iii)~~3.2(c)(iii) (Effect of Program Termination) plus (ii) [***] plus an amount equal to the Applicable Rate (compounded annually), starting on the first Subsequent Closing Date and ending on the date on which such Non-Technical Termination Payment is delivered to NovaQuest in accordance with Section 3.2(c)(iii) (Effect of Program Termination), minus (iii) any amounts paid to NovaQuest pursuant to Section ~~4.1(a)~~4.1(a)(Quarterly Interest Payments) on or prior to ~~such~~the date~~.~~

on which such Non-Technical Termination Payment is delivered to NovaQuest. "NovaQuest" has the meaning set forth in the preamble hereto.

"***NovaQuest Expense-Sharing Payment***" means one hundred million dollars ($100,000,000).

"***NovaQuest First Subsequent Closing Expense Sharing Payment***" means seventeen million, five hundred thousand dollars ($17,500,000).

"***NovaQuest Indemnitees***" has the meaning set forth in Section 10.1(a) (By Dermavant).

"***Other Connection Taxes***" means, with respect to NovaQuest, Taxes imposed as a result of a present or former connection between NovaQuest and the jurisdiction imposing such Tax (other than connections arising from NovaQuest having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement).

"***Parent***" has the meaning set forth in Section C of the Introduction hereto.

[***]

"***Party***" or "***Parties***" has the meaning set forth in the preamble hereto.

"***Patents***" means all patents (including all reissues, extensions, substitutions, confirmations, re-registrations, re-examinations, revalidations, supplementary protection certificates, and patents of addition) and patent applications (including all provisional applications, requests for continuation, continuations, continuations-in-part, and divisionals) and all equivalents of the foregoing in any country in the world.

"***Person***" means any natural person, corporation, trust, joint venture, association, unincorporated organization, cooperative, company, partnership, trust, limited liability company, government (domestic or foreign), and any agency or instrumentality thereof, or any other entity recognized by law.

[***]

"Permitted Non-Qualifying Bank" means a lender under this Agreement which is not a Qualifying Bank but has been accepted as a lender under this Agreement by the Swiss Borrower.

"***Phase III Trial***" means a human clinical trial of a Product, which trial is designed to:
(a) establish that the Product is safe and efficacious for its intended use; (b) define warnings, precautions, and adverse reactions that are associated with the Product in the dosage range to be prescribed; (c) support Marketing Approval of the Product; and (d) be generally consistent with 21 C.F.R. § 312.21(c).

"***Pricing Approval***" means any pricing and reimbursement approvals that must be obtained from a Regulatory Authority before placing the Product on the market for sale in a particular country or group of countries.

"***Primary Contact***" means an individual appointed by each Party who will serve as such Party's main contact for the other Party with regard to this Agreement.

"***Prime Rate***" has the meaning set forth in Section 4.5 (Interest).

"***Product***" means that certain topical, non-steroidal, and non-immunosuppressant pharmaceutical product for the treatment of dermatologic indications, known as Tapinarof and more particularly described in Schedule 1.

"***Product Assets***" means (a) all assets primarily related to the Product and that are owned by, licensed to, or otherwise controlled by Dermavant or any Responsible Party (other than a Licensee that has rights to Develop or Commercialize the Product only pursuant to a Solely Ex-U.S. License Agreement), including all of the following: Product IP Rights, Product IP Agreements, all regulatory filings, product packaging, product inserts, product labels, regulatory approval applications, regulatory approvals, regulatory exclusivity, copies of correspondence with regulatory authorities, copies of pre-clinical and clinical data, copies of pharmacology and biology data, Material Contracts, and inventory and (b) any other assets that are owned by, licensed to, or otherwise controlled by Dermavant or any Responsible Party (other than a Licensee that has rights to Develop or Commercialize the Product only pursuant to a Solely

Ex-U.S. License Agreement) that are reasonably necessary for the Development, Commercialization, manufacture, formulation, use, or sale of the Product, the absence of which would be reasonably expected to cause a Material Adverse Effect. In no event shall the Product Assets include deposit or securities accounts, accounts receivable, chattel paper, negotiable instruments, equity interests or any security.

"***Product Development Activities***" means the activities to be conducted by Dermavant and Responsible Parties in connection with the performance of the Development Plan.

"***Product Development Period***" means the period commencing on the Closing Date and continuing until Marketing Approval of the Product for both Indications in the United States.

"***Product IP Agreements***" means any contract pursuant to which Dermavant or any Responsible Party has been granted, assigned, or otherwise conveyed any right, title, or interest in or to any Product IP Rights.

"***Product IP Rights***" means all intellectual property relating to the Product owned or licensed by Dermavant or any Responsible Party, including: (a) Product Know-How; (b) all Patents Covering the Product (including its composition, formulation, delivery, manufacture, or use); and (c) all works protectable under copyright laws, trademarks, service marks, and trade names that relate to the Product.

"***Product Know-How***" means, as related to the Product, all technical, scientific, and other know-how and information, trade secrets, knowledge, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatus, specifications, data, results and other material, including, pre-clinical and clinical trial results, manufacturing procedures, test procedures, and purification and isolation techniques (whether or not confidential, proprietary, patented, or patentable) in written, electronic, or any other form now known or hereafter developed, and all other discoveries, developments, information and inventions (whether or not confidential, proprietary, patented, or patentable), and tangible embodiments of any of the foregoing, including any discoveries, developments, information, or inventions relating to the stability, safety, efficacy, operation, manufacture, ingredients, preparation, indications, presentation, formulation, means of delivery, or dosage of any pharmaceutical composition or preparation.

"***Product Rights***" means licenses or rights to the Product or under Product IP Rights, for making, Developing, Commercializing, marketing, promoting, distributing, selling, offering for sale, importing, or otherwise exploiting the Product.

"***Program***" means Developing the Product in accordance with Section 3.1(a) (Development Diligence).

"***Proposed Amendment Notice***" has the meaning set forth in Section 3.1(a)(ii) (Amendments to Development Plan).

"***Psoriasis Indication***" means psoriasis.

"***Psoriasis Milestone Payment***" has the meaning set forth in Section 4.1(a)(ii) (Quarterly Interest Payments).

"***PV Election Amount***" has the meaning set forth in Section 4.1(a)(iii) (Quarterly Interest Payments).

"***PV Payment***" means the net present value of the PV Election Amount calculated using the Microsoft Excel NPV function using a discount rate equal to [***] applied on a quarterly basis.

[***]

"***Qualified Party***" means: (a) a pharmaceutical company with annual global pharmaceutical revenue for its most recently completed fiscal year [***] based on most recent data collected or compiled by EvaluatePharma (or a similar company to the extent EvaluatePharma's data is not available), of at least [***]; (b) a pharmaceutical company that is a solvent corporation which, at the time ~~of determination~~ [***]: (1) has its common stock listed for trading on a national stock exchange or market quotation system (or foreign equivalent) and (2) has a market capitalization in excess of [***]; or (c) any other party designated in writing by mutual agreement of Dermavant and NovaQuest as a "Qualified Party."

"***Qualified Party Subsidiary***" means any direct or indirect Subsidiary of a Qualified Party all of the equity interests of which are owned directly or indirectly by such Qualified Party (other than (i) directors' qualifying shares, (ii) equity interests held by other Persons to the extent such equity interests are required by Applicable Law to be held by such Person and (iii) equity interests issued to management and employees and rollover equity interests).

"***Qualifying Bank***" means: (a) any bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (Bundesgesetz über die Banken und Sparkassen); or (b) a person or entity which effectively conducts banking activities with its own infrastructure and staff as its principal purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case within the meaning of the Guidelines.

"***Quarterly Interest Payment***" means an amount equal to:

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

(g) [***]

For purposes of the foregoing definition, any reference to a day that is not a Business Day shall be deemed to refer to the next succeeding Business Day in accordance with Section 4.7 (Timing of Payments).

"***Quarterly Report***" means a written report submitted by Dermavant to NovaQuest in accordance with the provisions of Section 4.3(a) (Quarterly Reports) that contains the following information with respect to the applicable Fiscal Quarter: a reasonably detailed clinical update and regulatory update and a reasonably detailed summary of any legal action brought by Dermavant against a Third Party for such Third Party's infringement of any Patents Covering the Product. To the extent that Dermavant is required to file periodic reports under the Exchange Act, such reports, as publicly filed on the SEC's EDGAR database, shall constitute a "Quarterly Report" hereunder.

"***Receiving Party***" has the meaning set forth in Section 6.1 (Definition of Confidential Information).

"***Recordkeeping Period***" has the meaning set forth in Section 4.3(b) (Records).

"***Regulatory Authority***" means any Governmental Authority that is responsible for issuing approvals, licenses, registrations, or authorizations necessary for the manufacture, import, sale, and use of the Product for human therapeutic use in any applicable regulatory jurisdiction, including, but not limited to, the FDA, and any corresponding national or regional regulatory authorities elsewhere in the world.

"***Regulatory Filing***" means an NDA, investigational new drug application, clinical trial application, any counterparts or equivalents of any of the foregoing, any drug master file, any Marketing Approvals or Pricing Approvals, and any other filings or submissions required by or provided to Regulatory Authorities or Governmental Authorities relating to the Development, manufacture, Commercialization, or other exploitation of the Product, including any supporting documentation, correspondence, meeting minutes, amendments, supplements, registrations,

licenses, regulatory drug lists, advertising and promotion documents, adverse event files, complaint files, and manufacturing, shipping, or storage records with respect to any of the foregoing.

"***Representing Party***" has the meaning set forth in Section 11.5 (Expenses).

"***Responsible Party***" means (a) each of Dermavant, any of its Controlled Affiliates, and any other Affiliate of Dermavant materially engaged in the Development or Commercialization of the Product ~~and~~; (b) [***] each Licensee.

~~"***Sales Milestone Event***" has the meaning set forth in Section 4.1(b) (Sales Milestone Interest Payments).~~

~~"***Sales Milestone Interest Payment***" means an amount equal to thirty percent (30%) of the NovaQuest Expense-Sharing Payment.~~

"***Revenue Interest Purchase and Sale Agreement***" means that certain revenue interest purchase and sale agreement dated as of May 14, 2021 among Dermavant, Dermavant Parent, the Purchasers party thereto, and U.S. Bank Trust Company, National Association, as collateral agent, as amended, restated, supplemented or otherwise modified from time to time (or any extension, replacement or refinancing thereof).

"***Second Amendment***" means that certain Second Amendment to Funding Agreement, dated as of the Second Amendment Effective Date, by and among Dermavant, Dermavant Parent and NovaQuest.

"***Second Amendment Effective Date***" shall have the meaning given to "Second Amendment Effective Date" in the Second Amendment.

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

"***Security Agreements***" means those certain security agreements, dated as of the Closing Date, pursuant to which the obligations of Dermavant under this Agreement will be secured by perfected first-priority (subject to permitted liens) security interests in its rights in and to the Product Assets, subject to certain customary exceptions to be agreed. The Security Agreements will be entered into on customary terms, in form and substance reasonably acceptable to Dermavant and NovaQuest, including, customary obligations related to perfection (including delivery of, and notice of changes with respect to, any information necessary for perfection), maintenance of security interest and further assurances, preservation of collateral, maintenance of insurance, representations and warranties with respect to collateral, collateral release provisions, and other customary terms, in each case subject to customary thresholds and exceptions.

"***Senior Credit Agreement***" means that certain credit agreement dated as of May 14, 2021 among Dermavant, certain Affiliates of Dermavant, XYQ Luxco S.à r.l., in its capacity as a

lender thereunder, and the Senior Lender Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time (or any extension, replacement or refinancing thereof).

"***Senior Lender Collateral Agent***" means U.S. Bank Trust Company, National Association, as collateral agent on behalf of the lender under the Senior Credit Agreement (together with any successor or replacement collateral agent and any agent or other representative for any other Senior Secured Debt that replaces or refinances all or any portion of the indebtedness under the Senior Credit Agreement).

"***Senior Lender Intercreditor Agreement***" means that certain senior lender intercreditor agreement dated as of May 14, 2021 among the Collateral Agent, XYQ Luxco S.à r.l., in its capacity as a lender under the Senior Credit Agreement, NovaQuest, and the Senior Lender Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time (including any replacement thereof in connection with any refinancing or replacement of the Senior Credit Agreement or the Revenue Interest Purchase and Sale Agreement).

"***Senior Officer***" means, with respect to Dermavant, the General Counsel of Dermavant Sciences, Inc., and with respect to NovaQuest, its managing partner. A Party may change its Senior Officer at any time, but must give notice to the other Party of any such change as soon as reasonably practical.

"***Senior Secured Debt***" means (i) indebtedness (including indebtedness outstanding under the Senior Credit Agreement) in an aggregate principal amount not to exceed $40,000,000 outstanding at any one time and (ii) indebtedness to refinance, in whole or in part, such indebtedness in accordance with the terms of the Senior Lender Intercreditor Agreement (or other intercreditor arrangement described below) that, taken together with outstanding indebtedness described in clause (i), is in an aggregate principal amount not to exceed $40,000,000 outstanding at any one time; provided that, in each case, the lenders thereof (or the agent or representative for such lenders) have become party, as senior creditors, to the Senior Lender Intercreditor Agreement or other intercreditor arrangement reasonably satisfactory to NovaQuest (it being agreed that such intercreditor arrangement shall be satisfactory to the NovaQuest if it provides for substantially similar intercreditor terms as the Senior Lender Intercreditor Agreement).

"***Solely Ex-U.S. License Agreement***" means a License Agreement under the Product Rights that does not include any rights to Develop or Commercialize the Product in the U.S.

"***Subsequent Closing***" has the meaning set forth in Section 2.3(b) (Subsequent Closings).

"***Subsequent Closing Date***" means the date on which a Subsequent Closing actually occurs.

"***Subsidiary***" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a

combination thereof, and (2) any partnership, joint venture, limited liability company or similar entity of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity. For purposes of clarity, a Subsidiary of a Person shall not include any Person that is under common control with the first Person solely by virtue of having directors, managers or trustees in common and shall not include any Person that is solely under common control with the first Person (i.e., a sister company with a common parent).

"***Successful Completion***" means, with respect to each Indication, successful completion of the clinical trials described in the Development Plan, including the achievement of the primary clinical endpoint identified in the protocol for such trials, as well as the reasonable satisfaction of other non-clinical activities set forth in the Development Plan, to the extent reasonably necessary for Dermavant to submit required Regulatory Filings for such Indication.

"***Swiss Bankruptcy***" means when Dermavant Parent or any of its Subsidiaries (other than any Immaterial Subsidiary) (i) files for the declaration of bankruptcy (*Antrag auf Konkurseröffnung*) or a formal declaration of bankruptcy (*Konkurseröffnung*) within the meaning of the Swiss Federal Act on Debt Enforcement and Bankruptcy, (ii) files for a request for a moratorium (*Gesuch um Nachlasstundung*) or a grant of a moratorium (*Nachlassstundung*) within the meaning of the Swiss Federal Act on Debt Enforcement and Bankruptcy or (iii) is subject to a petition for the opening of bankruptcy proceedings because of insolvency (*Zahlungsunfähigkeit*) or because of other reasons or subject to a provisionary or definitive moratorium or debt restructuring proceedings all as according to the Swiss Debt Collection and Bankruptcy Act (*Bundesgesetz über Schuldbetreibung und Konkurs*).

"***Swiss Borrower***" means Dermavant or any other loan party which is incorporated in Switzerland or, if different, is considered to be tax resident in Switzerland for Swiss Withholding Tax purposes.

"***Swiss Code of Obligations***" means the Swiss Code of Obligations dated 30 March 1911, as amended and restated from time to time.

"***Swiss Debt Collection and Bankruptcy Act***" means the Swiss Debt Collection and Bankruptcy Act dated 11 April 1889, as amended and restated from time to time.

"***Swiss Federal Tax Administration***" means the tax authorities referred to in article 34 of the Swiss Withholding Tax Act.

"***Swiss Withholding Tax***" means taxes imposed under the Swiss Withholding Tax Act.

"***Swiss Withholding Tax Act***" means the Swiss Federal Act on the Withholding Tax of 13 October 1965 (Bundesgesetz über die Verrechnungssteuer).

"***Tax***" means any (a) all federal, provincial, territorial, state, municipal, local, foreign, or other taxes, imposts, rates, levies, assessments and other charges in the nature of a tax (and all interest and penalties thereon and additions thereto imposed by any governmental authority), including without limitation all income, excise, franchise, gains, capital, real property, goods and services, transfer, value added, gross receipts, windfall profits, severance, ad valorem, personal property, production, sales, use, license, stamp, documentary stamp, mortgage recording, employment, payroll, social security, unemployment, disability, escheat, estimated or withholding taxes, and all customs and import duties, together with all interest, penalties and additions thereto imposed with respect to such amounts, in each case whether disputed or not; (b) any Liability for the payment of any amounts of the type described in clause (a) as a result of being or having been a member of an affiliated, consolidated, combined or unitary group; and (c) any Liability for the payment of any amounts as a result of being party to any tax sharing agreement or arrangement or as a result of any express or implied obligation to indemnify any other person with respect to the payment of any amounts of the type described in clause (a) or (b).

"***Technical Failure***" means, with respect to either Indication:

(a) Dermavant or an independent data monitoring safety board has made a reasonable and good faith determination that the Product presents a risk of death, a life-threatening condition, or such serious safety or health risks to patients such that, based on then-available data, Dermavant cannot ethically and in good faith continue to administer the Product to patients; provided that such a determination shall be deemed to be a Technical Failure of both Indications (for clarity, even if such determination is made after a termination due to a reason other than for a Technical Failure with respect to one Indication);

(b) Any material adverse development, occurrence or event with respect to the Development of the Product, as a result of which a Qualified Party may reasonably make a good faith determination to cease continued Development of the Product; provided that such a determination shall be deemed to be a Technical Failure with respect to both Indications (for clarity, even if such determination is made after a termination due to a reason other than for a Technical Failure with respect to one Indication); or

(c) Dermavant has received either a final, unconditional, non-approval letter pursuant to 21 C.F.R. § 314.120 or a complete response letter pursuant to 21 C.F.R. § 314.110 from the FDA (or an equivalent letter from any other Regulatory Authority) regarding the Product and the contents of such letter: (i) render Dermavant's receipt of Marketing Approval in the U.S. on or before September 30, 2023, not reasonably likely, or (ii) would require Dermavant to conduct one or more additional Phase III Trials prior to resubmitting an application for Marketing Approval and such additional Phase III Trial(s) would reasonably be anticipated to cost more than [***]; provided that such a determination shall be deemed to be a Technical Failure of both Indications (for clarity, even if such determination is made after a termination due to a reason other than for a Technical Failure with respect to one Indication).

"***Technical Failure Notice***" has the meaning set forth in Section 3.2(a) (Termination for Technical Failure).

"***Technical Failure Termination Payment***" has the meaning set forth in Section 3.2(c)(ii) (Effect of Program Termination).

"***Term***" has the meaning set forth in Section 9.1 (Term of Agreement).

"***Termination Notice***" has the meaning set forth in Section 3.2(a) (Termination for Technical Failure).

"***Third Party***" means any Person, including a Governmental Authority, other than (i) Dermavant, NovaQuest, and their respective Affiliates and (ii) [***].

"***Third Party Claim***" has the meaning set forth in Section 10.1(a) (By Dermavant).

"***United States***" or "***U.S.***" means the United States of America, including its territories and possessions.

~~"***U.S. AD Approval***" has the meaning set forth in Section 4.1(a)(i)(1) (AD Payments).~~

"***U.S. Person***" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Psoriasis Approval***" has the meaning set forth in Section 4.1(a)(ii)(1) (AD Payments).

[***]

ARTICLE II

SCOPE OF AGREEMENT AND CLOSING DELIVERABLES

2.1 Subject to the terms and conditions hereof, solely with respect to the Program, NovaQuest shall pay Dermavant the NovaQuest Expense-Sharing Payment and the NovaQuest First Subsequent Closing Expense-Sharing Payment in exchange for the Quarterly Interest Payments ~~and the right to receive Sales Milestone Interest Payments (when and if earned)~~ from Dermavant as set forth herein. For the avoidance of doubt, it is agreed that both the Closing and the First Subsequent Closing have occurred.

2.2 Dermavant accepts and acknowledges that NovaQuest is agreeing, on the terms and conditions set forth in this Agreement, only to make the NovaQuest Expense-Sharing

Payment and the NovaQuest First Subsequent Closing Expense-Sharing Payment and is not assuming any liability or obligation of Dermavant.

2.3 The Parties agree and acknowledge that this Agreement is a contract for NovaQuest to make a loan, or extend other debt financing or financial accommodations, to or for the benefit of Dermavant (as such terms are used in section 365 of title 11 of the United States Code or other similar Bankruptcy Law). The Parties acknowledge and agree that NovaQuest's interests hereunder are not equity interests and that NovaQuest shall have (without limitation of any other rights) the rights of a creditor and, to the extent of the value of the collateral securing its claims, a secured party (as defined in the UCC) for all purposes under this Agreement.

2.4 Initial Closing and Subsequent Closings

(a) ~~2.3~~ Initial Closing. The initial closing of the transactions contemplated by this Agreement (the "***Closing***") will take place promptly (and in any event within two Business Days) following satisfaction of the conditions set forth in Section 2.4 (Closing Conditions). At the Closing, (a) NovaQuest will deliver the NovaQuest Expense-Sharing Payment and (b) Dermavant and NovaQuest will each deliver duly executed copies of the Security Agreements and [***] For the avoidance of doubt, it is agreed that the Closing has occurred.

(b) Subsequent Closings. Any additional closing to which the Parties mutually agree in writing (each, a "***Subsequent Closing***") will take place promptly following Dermavant's delivery to NovaQuest of an Officer's Certificate, executed by an officer of Dermavant, certifying that the representations and warranties set forth in Section 7.1 (Dermavant's Representations and Warranties) are true and correct in all material respects as of the applicable Subsequent Closing Date (except to the extent that such representations and warranties relate solely to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except with respect to representations and warranties qualified by the term "material" or Material Adverse Effect, which representations and warranties shall be true and correct in all respects as of the applicable Subsequent Closing Date). At the first of such closings (the "***First Subsequent Closing***"), NovaQuest will deliver the NovaQuest First Subsequent Closing Expense-Sharing Payment. For the avoidance of doubt, it is agreed that the First Subsequent Closing has occurred.

2.5 ~~2.4~~ Closing Conditions.

(a) Dermavant Closing Conditions. Dermavant's obligation to consummate the transactions under this Agreement as contemplated at Closing shall be subject to the satisfaction of the following Closing conditions:

(i) NovaQuest shall have delivered an Officer's Certificate, executed by an officer of NovaQuest, certifying that the representations and warranties set forth in Section 7.2 are true and correct in all material respects as of the Closing Date (except with respect to representations and warranties qualified by the term "material," which representations and warranties shall be true and correct in all respects as of the Closing Date); and

(ii) The "Closing" of the APA (as defined in the APA) shall have occurred.

(b) NovaQuest Closing Conditions. NovaQuest's obligation to consummate the transactions under this Agreement as contemplated at Closing, including the funding of the NovaQuest Expense-Sharing Payment, shall be subject to the satisfaction of the following Closing conditions:

(i) Dermavant shall have delivered an Officer's Certificate, executed by an officer of Dermavant, certifying that: (x) Dermavant has complied in all material respects with the covenants set forth in Section 8.5 (Interim Covenants), and (y) the representations and warranties set forth in Section 7.1 are true and correct in all material respects as of the Closing Date (except with respect to representations and warranties qualified by the term "material" or Material Adverse Effect, which representations and warranties shall be true and correct in all respects as of the Closing Date); and

(ii) The "Closing" of the APA (as defined in the APA) shall have occurred.

ARTICLE III

DEVELOPMENT AND COMMERCIALIZATION

3.1 **Performance of Development Plan and Commercialization Obligations.**

(a) Development Diligence.

(i) Diligence. Dermavant shall, and shall ensure that each Responsible Party shall, use Commercially Reasonable Efforts to perform all activities described in the Development Plan, and to otherwise Develop the Product, in a manner that is (A) consistent with the Development Plan and (B) intended to ensure that Dermavant is reasonably likely to obtain Marketing Approval in the U.S. by the date set forth in the Development Plan. Dermavant shall submit all Marketing Approval Support Documents to Regulatory Authorities in the United States on or before the date that is [***] after Successful Completion~~; provided, however, that Dermavant shall be permitted to delay the submission of the Marketing Approval Support Documents for the first Indication for which it has achieved Successful Completion if it reasonably determines that it would be feasible to file the Marketing Approval Support Documents for both Indications at substantially the same time and thereby achieve substantially the same targeted approval dates.~~.

(ii) Amendments to Development Plan. In the event that Dermavant desires to amend the Development Plan in any material respect, it shall notify NovaQuest in reasonable detail of the proposed amendment (the "***Proposed Amendment Notice***"). During the [***] period following NovaQuest's receipt of a Proposed Amendment Notice, NovaQuest shall notify Dermavant that the amendment described in such Proposed Amendment Notice either (i) does not constitute a material amendment to the Development Plan, in which case Dermavant shall be free to amend the Development Plan as described in the Proposed Amendment Notice or (ii) constitutes a material amendment to the Development Plan, in which case Dermavant shall not amend the Development Plan without NovaQuest's prior written

consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that NovaQuest's consent for an amendment shall not be required if such amendment is being made pursuant to the recommendation or direction of the FDA that is either conveyed in writing or conveyed orally and subsequently confirmed in writing (e.g., documented in FDA meeting minutes); and provided, further, that if Dermavant amends the Development Plan in a manner that is inconsistent with this Section 3.1(a)(ii) (Amendments to Development Plan), such amendment shall be deemed to constitute a termination due to a reason other than for a Technical Failure of the applicable Indication (for clarity, such termination is solely with respect to the Indication that is affected by the Proposed Amendment Notice). For the purposes of this Section 3.1(a)(ii) (Amendments to Development Plan), a "material" amendment to the Development Plan shall be an amendment that, either alone or together with one or more other amendments, would reasonably be expected to (I) delay the receipt of Marketing Approval of either Indication in the U.S. by more than [***] from the projected approval date set forth in the Development Plan (as amended), or (II) result in a Material Adverse Effect.

(b) Commercialization Diligence. Dermavant shall, and shall ensure that each Responsible Party shall, use Commercially Reasonable Efforts to Commercialize the Product in the United States and each other jurisdiction in which Marketing Approval has been obtained and for each Indication for which Marketing Approval has been obtained, in each case taking into account the CRE Considerations.

3.2 **Program Termination.** Dermavant shall not, and shall ensure that no Responsible Party shall, suspend or terminate the Program during the Term for any reason (including a commercially reasonable reason), except that Dermavant may: (y) terminate the Program for Technical Failure only in accordance with this Section 3.2 (Program Termination) or (z) effect a Non-Technical Termination only in accordance with this Section 3.2 (Program Termination). For the avoidance of doubt, suspension or termination of the Program other than in accordance with this Section 3.2 (Program Termination) shall be deemed a material breach of this Agreement by Dermavant.

(a) Termination for Technical Failure. In the event Dermavant reasonably and in good faith believes a Technical Failure has occurred, it shall provide to NovaQuest [***] notice of the same setting forth the details and evidence of the purported Technical Failure ("***Technical Failure Notice***"). Promptly following the delivery of a Technical Failure Notice, the Parties (including, at a minimum, each Party's Senior Officer and Primary Contact) will meet in person to review and discuss the purported Technical Failure and the possible termination of the Program, and Dermavant will reasonably consider NovaQuest's feedback with respect to the Technical Failure. Dermavant will keep NovaQuest informed of any material decision-making process regarding such termination. In the event that Dermavant decides, after reasonably considering NovaQuest's feedback, to terminate the Program for Technical Failure, Dermavant shall promptly deliver written notice of the same to NovaQuest (the "***Termination Notice***"). Dermavant shall not delay delivery of a Termination Notice so as to reduce the amount of any Technical Failure Termination Payment payable pursuant to Section 3.2(c)(ii) (Effect of Program Termination).

(b) Non-Technical Termination. The Parties acknowledge and agree that termination of the Program with respect to both the Indications for any reason (even a commercially

reasonable reason) other than a Technical Failure shall be a "***Non-Technical Termination***". (For clarity, any termination with respect to only a single Indication due to any reason other than a Technical Failure shall not be a Non-Technical Termination.) Upon the occurrence of a Non-Technical Termination, Dermavant shall (i) promptly notify NovaQuest of such termination and (ii) within [***] of the date of termination or deemed Non-Technical Termination under this Section 3.2(b) (Non-Technical Termination), pay NovaQuest the Non-Technical Termination Payment. A Non-Technical Termination shall be deemed to have occurred if: (A) there has been no Technical Failure with respect to both Indications, and (B) Dermavant and its Responsible Parties fail, for at least [***] to use Commercially Reasonable Efforts to actively and materially engage in the Development of the Product in a manner consistent with Dermavant's obligations hereunder to Develop the Product (a "***Deemed Non-Technical Termination***"). If NovaQuest provides notice to Dermavant of a Deemed Non-Technical Termination, such Deemed Non-Technical Termination shall be effective [***] from the date of such notice unless during such [***] period Dermavant reasonably demonstrates that it is using Commercially Reasonable Efforts to Develop the Product in a manner consistent with its obligations hereunder.

(c) Effect of Program Termination. In addition to any other rights, remedies, or obligations set forth herein:

(i) if Dermavant terminates the Program with respect to either Indication or both Indications for any reason, then, in addition to any other rights, remedies, or obligations set forth herein, Dermavant's payment obligations pursuant to ARTICLE IV (Dermavant's Payments) shall survive such that if Dermavant resumes the Program within [***] with respect to a previously terminated Indication, Dermavant will thereafter be obligated to make payments to NovaQuest pursuant to Section 4.1(a)(Quarterly Interest Payments) if, as and when they accrue and become due with respect to such previously terminated Indication (which payments shall be offset dollar-for-dollar by an amount equal to any termination fees paid to NovaQuest pursuant to Section 3.2(c)(ii) (Effect of Program Termination) or Section 3.2(c)(iii) (Effect of Program Termination)); and

(ii) if Dermavant terminates the Program for Technical Failure pursuant to Section 3.2(a) (Termination for Technical Failure), Dermavant shall pay NovaQuest a payment (the "***Technical Failure Termination Payment***") within [***] of the date on which the Termination Notice is delivered, which Technical Failure Termination Payment shall be calculated as follows:

[***]

[***]

For the avoidance of doubt, if one Indication experiences a Technical Failure at a time while Dermavant is continuing to Develop the Product for the other Indication, then there shall not be a deemed termination of the Program for a Technical Failure unless and until Dermavant ceases Development of the second Indication, at which time a Termination Notice shall be delivered and the applicable payment set forth under this Section ~~3.2(c)(ii)~~3.2(c)(ii) shall be due.

(iii) Following the occurrence of a Non-Technical Termination pursuant to Section 3.2(b) (Non-Technical Termination), Dermavant shall, within [***] of the date of the Non-Technical Termination, pay NovaQuest a Non-Technical Termination Payment.

(iv) For the avoidance of doubt, if Dermavant makes either a Non-Technical Termination Payment or a Technical Failure Termination Payment and subsequently resumes the Program for either Indication, then in no event shall the re-termination of such Program result in any additional payments under Section 3.2(c) (Effect of Program Termination).

ARTICLE IV

DERMAVANT'S PAYMENTS

4.1 Quarterly Interest Payments~~; Sales Milestone Interest Payments; Net Sales Reports~~.

(a) Quarterly Interest Payments.

(i) ~~AD Payments.~~ [Reserved]

~~(1) Dermavant will pay NovaQuest [***] or [***] Quarterly Interest Payments (each such payment, an "***AD Milestone Payment***") as follows: (A) within [***] of a Responsible Party's first receipt of Marketing Approval of the Product in the United States for the AD Indication ("***U.S. AD Approval***"), (B) on the [***] of the Fiscal Quarter immediately following the date of U.S. AD Approval; and (C) on the [***] of (X) each of the succeeding [***] Fiscal Quarters or, (Y) in the event of a termination of the Program solely with respect to the Psoriasis Indication due to an event other than for a [***] each of the succeeding [***] Fiscal Quarters; provided, however, that, solely in the case of clause (Y), each Sales Milestone Interest Payment paid to NovaQuest (up to an aggregate of [***] shall be credited against (and deemed a prepayment of) each Quarterly Interest Payment otherwise owed in reverse chronological order, such that, the final Quarterly Interest Payments owed pursuant to clause (Y) of this Section 4.1(a)(i) are deemed discharged on account of the prior payment of the Sales Milestone Interest Payment. For clarity, Dermavant shall pay NovaQuest [***] AD Milestone Payments if there is no termination of the Program solely with respect to the Psoriasis Indication or Dermavant shall pay NovaQuest~~

[***] ~~AD Milestone Payments if there is a termination of the Program solely with respect to the Psoriasis Indication and due to an event other than for a~~ [***]. ~~The maximum number of AD Milestone Payments due hereunder (i.e.,~~ [***] ~~or~~ [***] ~~as applicable) shall be referred to herein as the "~~***Maximum Number of AD Milestone Payments***~~".~~

~~Upon the occurrence of Marketing Approval Revocation/Withdrawal applicable to the AD Indication, the total number of quarterly AD Milestone Payments due under this Section 4.1(a)(i)(1) (AD Payments) shall be reduced to the number of AD Milestone Payments received by NovaQuest as of the date of such Marketing Approval Revocation/Withdrawal. In the event that such Marketing Approval is reinstated (or the equivalent concept in a jurisdiction) in any jurisdiction following such Marketing Approval Revocation/Withdrawal and prior to the expiration of the Measurement Period, then the number of AD Milestone Payments due under this Section 4.1(a)(i)(1) (AD Payments) shall be restored to the Maximum Number of AD Milestone Payments that would have been due and payable immediately prior to the occurrence of Marketing Approval Revocation/Withdrawal (i.e., either~~ [***] ~~or~~ [***] ~~minus any payments made prior to Marketing Approval Revocation/Withdrawal. If such Marketing Approval is reinstated as set forth above, then Dermavant shall re-commence payment of the AD Milestone Payments on the first day of each of the succeeding Fiscal Quarters following reinstatement until NovaQuest has received, in the aggregate, the Maximum Number of AD Milestone Payments (i.e., either~~ [***] ~~or~~ [***] ~~as applicable), inclusive of any payments made prior to such Marketing Approval Revocation/Withdrawal.~~

~~(2) During the period commencing on the E.U. AD Milestone Payment Trigger Date and continuing until the earliest of the date of U.S. AD Approval, payment of the Non-Technical Termination Payment in accordance with Section 3.2(e)(iii) or Marketing Approval Revocation/Withdrawal, Dermavant will pay NovaQuest~~ [***] ~~E.U. AD Payments as follows: (A) within~~ [***] ~~following the E.U. AD Milestone Payment Trigger Date; (B) on the~~ [***] ~~of the Fiscal Quarter immediately following the date of E.U. AD Milestone Payment Trigger Date; and (C) on the~~ [***] ~~of each of the succeeding~~ [***] ~~Fiscal Quarters. "~~***E.U. AD Payment***~~" means an amount equal to~~ [***] ~~of the Quarterly Interest Payment.~~

~~(3) During the period commencing on the Japan AD Milestone Payment Trigger Date and continuing until the earliest of the date of U.S. AD Approval, payment of the Non-Technical Termination Payment in accordance with Section 3.2(e)(iii) or Marketing Approval Revocation/Withdrawal, Dermavant will pay NovaQuest~~ [***] ~~Japan AD Payments as follows: (A) within~~ [***]

~~following the Japan AD Milestone Payment Trigger Date; (B) on the~~ [***] ~~of the Fiscal Quarter immediately following the date of Japan AD Milestone Payment Trigger Date; and (C) on the~~ [***] ~~of each of the succeeding~~ [***] ~~Fiscal Quarters. "**Japan AD Payment**" means an amount equal to~~ [***] ~~of the Quarterly Interest Payment.~~

~~(4) Dermavant may credit E.U. AD Payments and Japan AD Payments paid to NovaQuest against any interest payments due pursuant to Section 4.1(a) (regardless of the Indication to which such payments relate). Additionally, Dermavant may also credit any Non-Technical Termination Payment paid to NovaQuest against any E.U. AD Payments and Japan AD Payments otherwise payable in accordance with this Section 4.1(a)(i).~~

~~(ii)~~ Psoriasis Payments.

~~(1)~~ Dermavant will pay NovaQuest ~~a total of~~ [***] Quarterly Interest Payments (each such payment, a "***Psoriasis Milestone Payment***") as follows: (A) within [***] of a Responsible Party's first receipt of Marketing Approval in the United States of the Product for the Psoriasis Indication ("***U.S. Psoriasis Approval***"); (B) on the [***] of the Fiscal Quarter immediately following the date of U.S. Psoriasis Approval; and (C) on the first day of ~~(X)~~ each of the succeeding [***] Fiscal Quarters ~~or, (Y) in the event of a termination of the Program solely with respect to the AD Indication due to an event other than for a~~ [***] ~~each of the succeeding~~ [***] ~~Fiscal Quarters; provided, however, that, solely in the case of clause (Y), each Sales Milestone Interest Payment paid to NovaQuest (up to an aggregate of~~ [***]~~) shall be credited against (and deemed a prepayment of) each Quarterly Interest Payment otherwise owed in reverse chronological order, such that, the final Quarterly Interest Payments owed pursuant to clause (Y) of this Section 4.1(a)(ii) are deemed discharged on account of the prior payment of the Sales Milestone Interest Payment~~ending with and including the Fiscal Quarter ending June 30, 2028; provided that the Quarterly Interest Payment that would otherwise have been due and payable April 1, 2024 shall instead be due and payable on the Second Amendment Effective Date. For clarity, Dermavant shall pay NovaQuest [***] Psoriasis Milestone Payments ~~if there is no termination of the Program solely with respect to the AD Indication or Dermavant shall pay NovaQuest~~ [***] ~~Psoriasis Milestone Payments if there is a termination of the Program solely with respect to the AD Indication and due to an event other than for a~~ [***] ~~The maximum number of Psoriasis Milestone Payments due hereunder (i.e.,~~ [***] ~~or~~ [***] ~~as applicable) shall be referred to herein as the "**Maximum Number of Psoriasis Milestone Payments**."~~, with the final such payment being due on April 1, 2028.

~~Upon the occurrence of Marketing Approval Revocation/Withdrawal applicable to the Psoriasis Indication, the total number of quarterly Psoriasis Milestone Payments due under this Section 4.1(a)(ii)(1) shall be reduced to the number of Psoriasis Milestone Payments received by NovaQuest as of the date of such Marketing Approval Revocation/Withdrawal. In the event that Marketing Approval for the Psoriasis Indication is reinstated (or the equivalent concept in a~~

jurisdiction) in any jurisdiction following such Marketing Approval Revocation/Withdrawal and prior to the expiration of the Measurement Period, then the number of Psoriasis Milestone Payments due under this Section 4.1(a)(ii)(1) (Psoriasis Payments) shall be restored to the Maximum Number of Psoriasis Milestone Payments prior to the occurrence of such Marketing Approval Revocation/Withdrawal (i.e., either [***] or [***] minus any payments made prior to such Marketing Approval Revocation/Withdrawal. If such Marketing Approval is reinstated as set forth above, then Dermavant shall re-commence payment of the Psoriasis Milestone Payments on the first day of each of the succeeding Fiscal Quarters following reinstatement until NovaQuest has received, in the aggregate, the Maximum Number of Psoriasis Milestone Payments (i.e., either [***] or [***] as applicable), inclusive of any payments made prior to such Marketing Approval Revocation/Withdrawal.

(2) During the period commencing on the E.U. Psoriasis Milestone Payment Trigger Date and continuing until the earliest of the date of U.S. Psoriasis Approval, payment of the Non-Technical Termination Payment in accordance with Section 3.2(c)(iii) or Marketing Approval Revocation/Withdrawal, Dermavant will pay NovaQuest [***] E.U. Psoriasis Payments as follows: (A) within [***] following the E.U. Psoriasis Milestone Payment Trigger Date; (B) on the [***] day of the Fiscal Quarter immediately following the date of E.U. Psoriasis Milestone Payment Trigger Date; and (C) on the [***] day of each of the succeeding [***] Fiscal Quarters. "***E.U. Psoriasis Payment***" means an amount equal to [***] of the Quarterly Interest Payment.

(3) During the period commencing on the Japan Psoriasis Milestone Payment Trigger Date and continuing until the earliest of the date of U.S. Psoriasis Approval, payment of the Non-Technical Termination Payment in accordance with Section 3.2(c)(iii) or Marketing Approval Revocation/Withdrawal, Dermavant will pay NovaQuest [***] Japan Psoriasis Payments as follows: (A) within [***] following the Japan Psoriasis Milestone Payment Trigger Date; (B) on the [***] day of the Fiscal Quarter immediately following the date of the Japan Psoriasis Milestone Payment Trigger Date; and (C) on the [***] day of each of the succeeding [***] Fiscal Quarters. "***Japan Psoriasis Payment***" means an amount equal to [***] of the Quarterly Interest Payment.

(4) Dermavant may credit E.U. Psoriasis Payments and Japan Psoriasis Payments paid to NovaQuest against any interest payments due pursuant to Section 4.1(a) (regardless of the Indication to which such payments relate). Additionally, Dermavant may also credit any Non-Technical Termination Payment paid to NovaQuest against any E.U. Psoriasis

~~Payments and Japan Psoriasis Payments otherwise payable in accordance with this Section 4.1(a)(ii).~~

(iii) At any time prior to any portion(s) of ~~an AD Milestone Payment or~~a Psoriasis Milestone Payment coming due, Dermavant may in lieu of making such payment, elect to pay NovaQuest a PV Payment. To make such an election, Dermavant shall, prior to the applicable ~~AD Milestone Payment or~~ Psoriasis Milestone Payment coming due, provide to NovaQuest: (a) written notice setting forth the dates for which the PV Payment is being made, as well as ~~both~~ the amount of the ~~AD Milestone Payment or~~ Psoriasis Milestone Payment for which it elects to make a PV Payment (the "***PV Election Amount***") and the details of the PV Payment calculation and (b) the PV Payment. Upon making a PV Payment for a particular ~~AD Milestone Payment or~~ Psoriasis Milestone Payment, Dermavant shall then not be required to make such payment(s) when they would otherwise come due (e.g., if Dermavant makes PV Payments covering four (4) quarterly installments for ~~a given~~the Psoriasis Indication, then it shall be relieved from making such four (4) quarterly payments as and when they otherwise would come due).

[***]

[***]

(b) Sales Milestone Interest Payments. For the period commencing on the date on which Marketing Approval is first obtained for any Indication and ending on the later of the last day of the Fiscal Year that is [***] after the earlier of the first U.S. AD Approval or the first U.S. Psoriasis Approval (the "***Measurement Period***"), Dermavant shall pay NovaQuest a Sales Milestone Interest Payment no later than [***] after the delivery of the applicable Net Sales Report that shows the first achievement of each of the following events (each a "***Sales Milestone Event***"):

(i) Net Sales in a Fiscal Year equal or exceed [***]

(ii) Net Sales in a Fiscal Year equal or exceed [***]

(iii) Net Sales in a Fiscal Year equal or exceed [***] and

(iv) Net Sales in a Fiscal Year equal or exceed [***]

Each of the foregoing Sales Milestone Interest Payments shall be made only one time following the achievement of the respective Sales Milestone Event. In the event that no U.S. AD Approval or no U.S. Psoriasis Approval occurs during the [***] following the date on which Marketing Approval is first obtained for any Indication, then the Measurement Period shall

expire on the [***] of the date on which Marketing Approval is first obtained for any Indication.

(c) Net Sales Reports. Following the first Marketing Approval of the Product and through the end of the Measurement Period, Dermavant shall deliver a written report setting forth, in reasonable detail, the cumulative global Net Sales occurring during and through the end of each Fiscal Quarter and the year-to-date global Net Sales for such Fiscal Year (the "***Net Sales Report***"). The Net Sales Report shall be delivered to NovaQuest no later than (i) [***] after the end of each Fiscal Quarter (other than the last Fiscal Quarter of a fiscal year) and (ii) [***] after the end of the last Fiscal Quarter of a Fiscal Year. All Net Sales Reports and information contained therein shall be Confidential Information of Dermavant.

4.2 **NovaQuest's Account.** All payments under this Agreement to NovaQuest shall be made in U.S. Dollars by wire transfer in immediately available funds, to such account as NovaQuest designates in writing from time to time. With respect to Net Sales invoiced in a currency other than U.S. Dollars, such Net Sales will be converted into the U.S. Dollar equivalent using the conversion rate existing in the United States (as reported in *The Wall Street Journal*, New York edition) for the applicable currency on the last Business Day of the applicable Fiscal Quarter. If *The Wall Street Journal* ceases to publish such exchange rate, then the rate of exchange to be used shall be that reported in such other business publication of national circulation in the United States on which the Parties reasonably agree.

4.3 Dermavant's Reports and Record Keeping; NovaQuest's Audit Rights.

(a) Quarterly Reports: No later than: (i) [***] after the end of each Fiscal Quarter (other than the last Fiscal Quarter of a fiscal year) and (ii) [***] after the end of the last Fiscal Quarter of a Fiscal Year during the Product Development Period, Dermavant will submit to NovaQuest a Quarterly Report for the most recently completed Fiscal Quarter.

(b) Records. Dermavant shall, and shall ensure that the Responsible Parties shall, keep and maintain for a period of [***] from the end of any calendar month accounts and records of all data reasonably required to verify:

(i) any information required to be provided to NovaQuest under this Agreement; and

(ii) (A) the gross amount invoiced by any Responsible Party to Third Parties for sales of the Product and (B) the calculation of Net Sales.

Dermavant's and the Responsible Parties' recordkeeping obligations shall survive until the date that is [***] from the date on which Dermavant makes the last possible SalesPsoriasis Milestone Interest Payment (the "***Recordkeeping Period***").

(c) Audit of Dermavant. From the Closing Date until the expiration of the Recordkeeping Period, upon prior written notice to Dermavant, NovaQuest shall have the right to audit, through an independent certified public accountant of national recognition selected by NovaQuest and reasonably acceptable to Dermavant, those accounts and records of Dermavant

and its Affiliates involved in the Commercialization of the Product as may be reasonably necessary to verify Dermavant's and such Affiliates' compliance with this Agreement. Such audits must occur during normal business hours and upon providing at least [***] prior written notice, and may occur no more than once per Fiscal Year. NovaQuest shall be solely responsible for the cost of any such audit~~, unless the independent certified public accountant's report shows, in respect of any Fiscal Year then being reviewed, an underreporting of Net Sales for such Fiscal Year by more than~~ [***] ~~in which case Dermavant shall be responsible for the reasonable expenses incurred by NovaQuest for the independent certified public accountant's services.~~

(d) Audit of Licensees. Dermavant shall include in each License Agreement terms record keeping and audit rights substantially similar to those set forth herein. From the Closing Date until the expiration of the Recordkeeping Period, if Dermavant completes an audit of a Licensee's books and records prior to the end of the Recordkeeping Period, Dermavant shall, subject to reasonable confidentiality obligations and any applicable limitations under Applicable Law, share the written results of any such audit of a Licensee. In addition, prior to the expiration of the Recordkeeping Period, if, with respect to any Licensee, Dermavant does not during any consecutive [***] period undertake an audit reasonably sufficient to verify such Licensee's compliance with the terms of this Agreement applicable to a Responsible Party then, upon the reasonable request of NovaQuest, Dermavant shall undertake such an audit of such Licensee's books and records, in accordance with the provisions of the applicable License Agreement (which, for the avoidance of doubt, shall be provisions that are substantially similar to those that are set forth herein) and subject to any limitations under Applicable Law, and NovaQuest shall reimburse Dermavant for the reasonable out-of-pocket costs of such audit ~~unless the results of the audit shows, in respect of any Fiscal Year then being reviewed, an underreporting of Net Sales for such Fiscal Year by more than~~ [***] ~~in which case Dermavant shall be responsible for such costs~~.

(e) ~~-~~Audit Dispute~~. If Dermavant disputes the results of any audit conducted pursuant to this Section 4.3 (Dermavant's Reports and Record Keeping; NovaQuest's Audit Rights), the Parties shall work in good faith to resolve the disagreement. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within~~ [***] ~~the dispute shall be submitted for resolution to a certified public accounting firm jointly selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "**Auditor**"). The decision of the Auditor shall be final and the costs of such procedure as well as the initial audit shall be borne between the Parties in such manner as the Auditor shall determine. If the Auditor determines that there has been an underpayment by Dermavant, Dermavant shall pay to NovaQuest the underpayment within~~ [***] ~~after the Auditor's decision, plus interest (as set forth in Section 4.5 (Interest)) from the original due date. If the Auditor determines that there has been an overpayment by Dermavant, then Dermavant may take a credit for such overpayment against any future payments due to NovaQuest.~~

4.4 **Taxes**.

(a) If any Governmental Authority requires Dermavant to deduct or withhold any amount from, or NovaQuest to pay any present or future Tax, assessment, or other governmental charge on, any payment to NovaQuest ("***Withholding Payment***"), Dermavant will,~~-~~ in addition to

paying NovaQuest such reduced payment, simultaneously pay NovaQuest such additional amounts such that NovaQuest receives the full contractual amount of the applicable payment from Dermavant as if no such Withholding Payment had occurred, provided, that, Dermavant shall not be required to pay such additional amounts with respect to any Withholding Payment that is attributable to any Excluded Taxes. Each Party agrees to cooperate with the other Party in claiming refunds or exemptions from such deductions or withholdings under any relevant agreement or treaty which is in effect. The Parties shall discuss and cooperate regarding applicable mechanisms for minimizing such Taxes to the extent possible in compliance with Applicable Law.

(b)

(i) If NovaQuest is entitled to an exemption from or reduction of a Withholding Payment with respect to payments made under this Agreement, it shall deliver to Dermavant, at the time or times reasonably requested by Dermavant, such properly completed and executed documentation reasonably requested by Dermavant as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, NovaQuest, if reasonably requested by Dermavant, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Dermavant as will enable Dermavant to determine whether or not NovaQuest is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (b)(ii) of this Section) shall not be required if in NovaQuest's reasonable judgment such completion, execution or submission would subject NovaQuest to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of NovaQuest and, for clarity, NovaQuest shall be deemed to have complied with its obligations under this Section if it has so exercised its reasonable judgment. NovaQuest agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or notify Dermavant in writing of its legal inability to do so, in either case within a reasonable amount of time following Dermavant's request for an update.

(ii) Without limiting the generality of the foregoing, in the event that Dermavant assigns its rights and obligations hereunder to an Affiliate that is a U.S. Person, NovaQuest shall deliver to Dermavant from time to time upon the reasonable request of Dermavant, executed copies of IRS Form W-9 or W-8, as applicable, certifying that it is exempt from U.S. federal backup withholding tax.

(iii) If a payment made to NovaQuest hereunder would be subject to U.S. federal withholding Tax imposed by FATCA if NovaQuest were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), NovaQuest shall deliver to Dermavant at the time or times prescribed by Applicable Law and at such time or times reasonably requested by Dermavant such documentation prescribed by

Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Dermavant as may be necessary for Dermavant to comply with its obligations under FATCA and to determine that NovaQuest has complied with its obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iv) Dermavant shall deliver to NovaQuest the original or a certified copy of a receipt issued by any Governmental Authority evidencing the payment of any withholding Tax on NovaQuest's behalf.

(c) NovaQuest and each of its assignees under this Agreement shall, at the time that it becomes a party hereunder, represent, in the applicable assignment agreement which it executes on becoming a party, and for the benefit of Dermavant, that it is not a Qualifying Bank.

4.5 **Late Interest**. In the event that a payment under this Agreement is not made when due, such outstanding payment will accrue interest, beginning on the date when the payment was due, at an annual rate equal to [***] plus the Prime Rate, (or the maximum rate permitted under Applicable Law, whichever is less). Such accrued interest will be compounded annually. Payment of accrued interest will accompany payment of the outstanding payment. "***Prime Rate***" means the prime rate as reported in *The Wall Street Journal*, New York Edition, on the date such payment first comes due.

4.6 **Minimum Interest Rates and Payments Recalculation**. The Parties do not expect that the payments made by Dermavant hereunder will be subject to Swiss Withholding Tax, but if a Tax deduction is required by Swiss law to be made by a Swiss Borrower in respect of any interest payable by it under this Agreement and should it be unlawful for such Swiss Borrower to comply with Section 4.4(a) (Taxes), taking into account any exclusions set out in this Agreement, for any reason, the applicable interest rate in relation to that interest payment shall be: (i) the interest rate which would have applied to that interest payment in the absence of this Section 4.6 divided by (ii) [***] and (a) that the Swiss Borrower shall be obliged to pay the relevant interest at the adjusted rate in accordance with this Section 4.6 (Minimum Interest Rates and Payments Recalculation), (b) the Swiss Borrower shall make the Tax deduction on the interest so recalculated and (c) all references to a rate of interest in this Agreement shall be construed accordingly. No recalculation of interest shall be made under this Section 4.6 (Minimum Interest Rates and Payments Recalculation) if an event of default has not occurred or is not continuing and the Non-Bank Rules would not have been violated if (i) such lender under this Agreement which is not a Permitted Non-Qualifying Bank in relation to which the Swiss Borrower makes the payment, was a Qualifying Bank but on that date that lender under this Agreement is not or has ceased to be a Qualifying Bank other than as a result of any change of law after the date it became a lender under this Agreement or (ii) such lender under this Agreement, in relation to which the Swiss Borrower makes the payment, had complied with its obligations under Section 11.7 (Successors and Assigns). For avoidance of doubt, Dermavant shall not be required to pay any additional amounts under Section 4.4 (Taxes)

above if a recalculation of interest is made pursuant to this Section 4.6 (Minimum Interest Rates and Payments Recalculation).

4.7 **Timing of Payments.** Where any payment is to be made, any funds are to be applied or any calculation is to be made under this Agreement on a day that is not a Business Day, unless this Agreement otherwise provides, such payment shall be made, such funds shall be applied and such calculation shall be made on the succeeding Business Day.

ARTICLE V

INFORMATION RIGHTS

5.1 **Generally**.

(a) In connection with NovaQuest's service on the Joint Steering Committee contemplated by Section 5.2 (Joint Steering Committee), the representatives appointed by NovaQuest may request Dermavant to provide them with such information relating to the Development and Commercialization of the Product as reasonably necessary for them to fulfill their role on the Joint Steering Committee. Such information requests by NovaQuest may relate to the following matters:

(i) general Development and commercial readiness overview and updates, including any issues with regard to manufacturing;

(ii) material Regulatory Filings, including an NDA;

(iii) safety update reports provided to a Regulatory Authority;

(iv) clinical trial protocols, statistical analysis plans, final clinical study reports, and equivalent documents from pre-clinical trials; and

(v) clinical trial enrollment, progress, and results and general progress of the Development Plan.

Dermavant may reasonably select the means of communication for delivery of such information, including via summaries, reports, and presentations made during meetings of the Joint Steering Committee; provided, however, that upon NovaQuest's reasonable request, Dermavant shall respond to NovaQuest's questions regarding the matters described in clauses (i) through (v) of this Section 5.1 (Generally).

5.2 **Joint Steering Committee**.

(a) Generally. In order to fulfill the objectives and provide monitoring of, and communication regarding, the Program and this Agreement, the Parties shall form a joint steering committee (the "***Joint Steering Committee***" or "***JSC***"), whose initial members are listed on Exhibit 2. The JSC may (i) review and comment on the Development and Commercialization of the Product; (ii) serve as a forum for discussion for matters relating to the Development and Commercialization of the Product; (iii) discuss potential material amendments

to the Development Plan and clinical trial protocols; and (iv) review clinical study reports. The JSC shall be the primary forum for Dermavant to communicate with NovaQuest regarding the progress with respect to Development and Commercialization of the Product as well as any problems associated with the foregoing. The JSC shall have no decision-making power or authority to bind either Party.

(b) JSC Membership. The JSC shall include two (2) representatives (including the Primary Contact) appointed by Dermavant who have appropriate authority over the Development or Commercialization of the Product and two (2) representatives (including the Primary Contact and another senior executive of NovaQuest) appointed by NovaQuest. Upon reasonable notice of a Party, other representatives of such Party may attend meetings of the JSC; provided, that if such representatives are not employees of a Party, they shall be subject to (i) approval of the other Party (such approval to not be unreasonably withheld or delayed) and (ii) confidentiality obligations at least substantially equivalent to those set forth herein. NovaQuest's initial Primary Contact shall be [***]. Dermavant's initial Primary Contact shall be [***]. A Party may change its Primary Contact or appointees to the JSC at any time, but must give notice to the other Party of any such change as soon as reasonably practical. NovaQuest agrees that neither of its representatives on the JSC will be involved in the development of a Competing Product during the term of this Agreement.

(c) Meetings. The JSC shall meet at least one time every [***] until the first commercial sale of the Product. Such meetings shall be conducted either in person at the offices of Dermavant or such other location as mutually agreed upon, or by telephone or videoconference, as the Parties agree.

(d) Termination. The Joint Steering Committee shall be dissolved upon an Initial Public Offering.

5.3 **Notification of Material Adverse Events**. Dermavant will promptly notify NovaQuest if it is aware of the occurrence of a Material Adverse Event (and Dermavant shall be responsible for requiring that each other Responsible Party notifies Dermavant of a Material Adverse Effect upon such Responsible Party becoming aware thereof).

5.4 **Notice of Certain Events**. In addition to its notification obligations set forth in Section 5.3 (Notification of Material Adverse Events), Dermavant will notify NovaQuest in writing with respect to the following matters regarding the Product promptly upon Dermavant's knowledge thereof (and Dermavant shall be responsible for requiring that each other Responsible Party notifies Dermavant of such matters upon such Responsible Party becoming aware thereof):

(a) any decision to cease the Development or Commercialization of the Product in any material respect (it being understood and agreed that delivery of a Proposed Amendment Notice pursuant to Section 3.1(a)(ii) shall, if it clearly communicates Dermavant's decision to cease the Development of the Product and is delivered promptly following such decision by Dermavant, satisfy the obligation under this Section 5.4(a));

(b) the actual or written threatened revocation, withdrawal, suspension, cancellation, termination, or material adverse modification of any approvals or authorizations of Governmental Authorities with respect to the Product; or

(c) Dermavant's or, following Dermavant's knowledge, any other Responsible Party's being debarred, excluded, suspended, or otherwise ineligible to participate in government health care programs; or the receipt by Dermavant or any other Responsible Party of any material written notice (adverse or otherwise) from any Governmental Authority regarding the approvability or approval of the Product.

ARTICLE VI

CONFIDENTIAL INFORMATION

6.1 **Definition of Confidential Information.** For purposes of this Agreement, the term "***Confidential Information***" of a Party means any confidential and/or proprietary information furnished by or on behalf of such Party or its Affiliates (the "***Disclosing Party***") to another Party or its Affiliates (the "***Receiving Party***") pursuant to this Agreement or learned through observation during visit(s) to any facility of the Disclosing Party. Notwithstanding the foregoing, Confidential Information shall not include information that, in each case as demonstrated by written documentation or other competent evidence:

(i) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time it was disclosed to or learned by the Receiving Party hereunder;

(ii) was generally available to the public or otherwise part of the public domain at the time it was disclosed to or learned by the Receiving Party hereunder;

(iii) became generally available to the public or otherwise part of the public domain after it was disclosed to or learned by the Receiving Party hereunder, other than through any act or omission of the Receiving Party in breach of this Agreement;

(iv) was lawfully disclosed to the Receiving Party, after it was disclosed to or learned by the Receiving Party hereunder, by a Third Party that is not bound by any obligation of confidentiality with respect to such information; or

(v) is independently developed by the Receiving Party without the benefit or use of the Confidential Information of the Disclosing Party.

6.2 **Obligations.** Except as authorized in this Agreement or except upon obtaining the Disclosing Party's prior written permission to the contrary, Receiving Party agrees that for the Term and for [***] thereafter, it will:

(a) maintain in confidence, and not disclose to any Person or entity, the Disclosing Party's Confidential Information;

(b) not use the Disclosing Party's Confidential Information for any purpose, except for performing Receiving Party's obligations and exercising its rights under this Agreement; and

(c) protect the Disclosing Party's Confidential Information in its possession by using the same degree of care as it uses to protect its own Confidential Information (but, in any event, no less than a reasonable degree of care).

Notwithstanding anything to the contrary in this Agreement, Disclosing Party will be entitled to injunctive relief to restrain the breach or threatened breach by Receiving Party of this ARTICLE VI (Confidential Information) without having to prove actual damages or threatened irreparable harm or post any bond or other security. Such injunctive relief will be in addition to any rights and remedies available to the Disclosing Party at law, in equity, and under this Agreement for such breach or threatened breach.

6.3 Permitted Disclosures.

(a) Permitted Disclosures.

(i) Generally. The Receiving Party may disclose the Disclosing Party's Confidential Information (without the Disclosing Party's prior written permission) if such disclosure is made to the Receiving Party's Affiliates, employees, agents, consultants, tax advisors, accountants, or attorneys, in each case, who need to know such Confidential Information and who are, prior to receiving such disclosure, bound by written or professional confidentiality and non-use obligations no less stringent than those contained herein.

(ii) NovaQuest Disclosures. Solely in connection with the Closing and to the extent reasonably necessary, in NovaQuest's sole discretion, for NovaQuest to obtain funding for the NovaQuest Expense-Sharing Payment and enter into this Agreement, NovaQuest shall be permitted to disclose Dermavant's Confidential Information to other Persons who: (A) are limited partners, investors or potential investors (or advisors or fiduciaries to such Persons, including trustees, directors, members of a limited partner advisory committee, or members of an investment committee) of NovaQuest being asked to, directly or indirectly, fund (or approve for funding) a portion of the NovaQuest Expense-Sharing Payment, and (B) need to know such Confidential Information in connection with making his, her, or its investment decision regarding this Agreement and are bound by written or professional confidentiality and non-use obligations no less stringent than those contained herein. In addition, NovaQuest may disclose the identity of Dermavant, the Product that is the subject of this Agreement, and the fact that this Agreement provides for quarterly interest payments and milestone interest payments to Persons who are or are employed or retained by investors or potential investors in NovaQuest and its Affiliates or potential investment targets of NovaQuest and its Affiliates, provided that any such Persons are, prior to receiving such disclosure, bound by written or professional confidentiality and non-use obligations no less stringent than those contained herein.

(iii) Dermavant Disclosures. Dermavant shall be permitted to disclose Confidential Information (including the existence and terms of this Agreement) to potential or actual investors, lenders, investment bankers, acquirers, licensees/sublicensees and other financial and commercial partners as may be necessary in connection with their evaluation of

such potential or actual investment, loan, financing (including an Initial Public Offering or any other offering of securities), collaboration, merger, acquisition or similar transaction; provided, however, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the Receiving Party pursuant to this ARTICLE VI (Confidential Information) (unless a shorter duration of confidentiality is customary in the industry).

(iv) Regulatory Disclosures. The Receiving Party may disclose the Disclosing Party's Confidential Information (without the Disclosing Party's prior written permission) if such disclosure is made to officers, employees, or advisors of any Regulatory Authorities for the purpose of performing Product Development Activities, submitting Regulatory Filings for the Program, or obtaining Marketing Approval for the Product.

Notwithstanding the foregoing, the Receiving Party shall be responsible for any breach of this ARTICLE VI (Confidential Information) by any of the Third Parties described in this Section 6.3(a) (Permitted Disclosures) to which it discloses Confidential Information (as if such Third Party was bound by the terms of this ARTICLE VI (Confidential Information)), and shall take all reasonably necessary measures to restrain such Third Parties from unauthorized disclosure or use of the Confidential Information.

(b) Legally Required. Receiving Party may disclose Disclosing Party's Confidential Information, without Disclosing Party's prior written permission, to any Person to the extent such disclosure is necessary to comply with Applicable Law (including the Securities Act and the Exchange Act), applicable stock exchange requirements, or an order or subpoena from a court of competent jurisdiction; provided, however, that Receiving Party, to the extent it may legally do so, shall give reasonable advance notice to Disclosing Party of such disclosure and, at Disclosing Party's reasonable request and expense, Receiving Party shall use its reasonable efforts to secure confidential treatment of such Confidential Information prior to its disclosure (whether through protective orders or otherwise).

6.4 **Terms of Agreement**. The Parties agree that they will each treat the existence, contents and terms of this Agreement as confidential, and neither Party shall make any press release or other public disclosure that discloses or otherwise concerns this Agreement or any terms hereof, without the prior written consent of the other Party, except to the extent allowed under Section 6.3 (Permitted Disclosures) or as otherwise permitted in accordance with this Section 6.4 (Terms of Agreement). Consistent with Section 6.3(b) (Permitted Disclosures), the Parties agree to use reasonable efforts to provide the other with a copy of that portion of any filing required by a securities agency regarding this Agreement or its terms to review prior to filing and to consider any comments of the other Party in good faith, and to the extent either Party is required to file or disclose this Agreement with a securities agency, such Party shall consider in good faith the other Party's comments with respect to confidential treatment of this Agreement's terms and shall redact this Agreement in a manner allowed by the securities agency to protect sensitive terms, and shall be permitted to file this Agreement, as so redacted, with the securities agency. For purposes of clarity, each Party is free to discuss with Third Parties the information regarding this Agreement and the Parties' relationship disclosed in such securities filings and any other authorized public announcements.

6.5 **Use of Names**. Neither Party shall mention or otherwise use the name, insignia, symbol, trademark, trade name, or logotype of the other Party or its Affiliates (or any abbreviation or adaptation thereof) in any publication, press release, promotional material, or other form of publicity without the prior written approval of such other Party in each instance. Notwithstanding the foregoing, the restrictions imposed by this Section 6.5 (Use of Names) shall not prohibit Receiving Party from making any disclosure identifying any Person to the extent required by Applicable Law or the rules of a stock exchange on which the securities of the Disclosing Party are listed (or to which an application for listing has been submitted), provided that the Receiving Party shall provide the Disclosing Party with written notice of such disclosure.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES; LIMITATION OF LIABILITY

7.1 **Dermavant's Representations and Warranties.** Except as set forth in disclosure schedules attached hereto, Dermavant represents and warrants to NovaQuest as of the Effective Date as follows:

(a) Organization. Dermavant is a company duly organized, validly existing, and in good standing under the laws of Switzerland.

(b) No Consent. No consent, approval, license, order, authorization, registration, declaration, or filing with or of any Third Party, other than Marketing Approval required with respect to the Product and customary UCC and similar filings needed to perfect NovaQuest's liens under the Security Agreements, is required by Dermavant in connection with the execution and delivery by Dermavant of this Agreement, the performance by Dermavant of its obligations under this Agreement, the Security Agreements, or the consummation of any of the transactions contemplated hereby or thereby.

(c) Authorization. Dermavant has all necessary corporate power, right, and authority to carry on its business as it is presently carried on by Dermavant, enter into, execute, and deliver this Agreement and the Security Agreements, and perform all of the covenants, agreements and obligations to be performed by Dermavant hereunder and thereunder. This Agreement has been, and as of the Closing, the Security Agreements will be, duly executed and delivered by Dermavant and constitute Dermavant's valid and binding obligation, enforceable against Dermavant in accordance with the terms of each respective agreement, subject to bankruptcy, insolvency, reorganization, or similar laws affecting the rights of creditors generally and equitable principles.

(d) No Conflicts. The execution and delivery of this Agreement and the Security Agreements by Dermavant and the performance by Dermavant of its obligations hereunder and thereunder does not and will not (i) violate any provision of the organizational documents of Dermavant; (ii) conflict with or violate any Applicable Law that applies to Dermavant, its Controlled Affiliates, Parent, or their respective assets or properties; (iii) require any permit, authorization, consent, approval, exemption, or other action by, notice to, or filing with any entity or Governmental Authority (other than as expressly contemplated hereby); (iv) violate, conflict with, result in a material breach of, or constitute (with or without notice or lapse of time

or both) a material default under, or an event that would give rise to any right of notice, modification, acceleration, payment, cancellation, or termination under, or in any manner release any party thereto from any obligation under, any permit or contract to which Dermavant, its Controlled Affiliates, or Parent is a party or by which any of its properties or assets are bound; or (v) result in the creation or imposition of any Lien on any part of the Product Assets or the properties or assets of Dermavant, except, in the case of each of clauses (ii), (iii), (iv) or (v), as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) Product Assets. Except as set forth in Schedule 7.1(e), Dermavant solely owns all right, title, and interest in and to (i) the Product; (ii) all Patents that Cover the Development, manufacture, use, or sale of the Product, all of which are listed in Schedule 7.1(e); and (iii) all material data, trade secrets, Product IP Rights, and other intellectual property rights used by it in the research, Development, and manufacture of the Product. Schedule 7.1(e) specifies as to each listed Patent (A) the jurisdictions by or in which each such Patent has issued as a patent or a patent application has been filed, including the respective patent or patent application numbers and (B) any party other than Dermavant owning or having an interest in such Patent, including the nature of such interest. All of the Patents are in full force and effect and have not lapsed, expired, or otherwise terminated. To Dermavant's knowledge and to Parent's knowledge, no Person claims to be an inventor under any of the Patents who is not a named inventor thereof. As of the Effective Date, there are no licensees or Licensees.As of the Effective Date, Dermavant has no payment obligation, whether secured or unsecured, that is senior to or has priority over Dermavant's payment obligations to NovaQuest under this Agreement.

(f) Litigation. There is no action, suit, claim, proceeding, interference, reexamination, opposition, or investigation pending or threatened against Dermavant, its Controlled Affiliates, or Parent at law or in equity, arbitration proceeding to which Dermavant is a party, or Governmental Authority inquiry pending or, to the knowledge of Dermavant and to the knowledge of Parent, threatened against Dermavant, its Controlled Affiliates, or Parent, that, if adversely determined, would: (i) question or defeat the validity or enforceability of, or Parent's or Dermavant's rights to any Patent Covering the Product or Product IP Rights owned or controlled by Parent or Dermavant; (ii) prevent the consummation of the transactions contemplated by this Agreement or the Security Agreements; or (iii) if settled or adversely determined, would reasonably be expected to have, individually on in the aggregate, a Material Adverse Effect.

(g) Infringement. To the knowledge of Dermavant and to the knowledge of Parent, the making, use, sale, offer for sale, and import of the Product by Dermavant and its Controlled Affiliates, Licensees, licensees, or sublicensees does not, and, if the Product was being sold as of the Effective Date, would not, as of the Effective Date, infringe any patent claim of any Third Party or misappropriate or make any unauthorized use of any patent or intellectual property rights of any Third Party. To the knowledge of Dermavant, no Third Party is infringing, misappropriating or making any unauthorized use of a Patent Covering the Product or Product Know-How. None of the Patents Covering the Product or Product Know-How is subject to any outstanding decree, order, judgment, or stipulation restricting in any manner the use or licensing thereof by Dermavant.

(h) Material Contracts. All Material Contracts to which Dermavant or a Controlled Affiliate is a party or will be a party as of the Closing Date are listed in Schedule 7.1(h) and are, except as set forth in Schedule 7.1(h), in full force and effect. Dermavant has provided complete copies of all such Material Contracts to NovaQuest. Dermavant is in compliance with and has not materially breached, violated, or defaulted under, or received written notice that it has materially breached, violated, or defaulted under any of the terms or conditions of any such Material Contract. Dermavant is not aware of any event that has occurred or circumstance or condition that exists that would or would reasonably be expected to constitute such a breach, violation, or default with the lapse of time, giving of notice, or both. Other than any such Material Contract, there are no contracts, agreements, commitments, or undertakings pursuant to which Dermavant in-licenses or otherwise has rights under any Patent or intellectual property rights of any Third Party that are material to the Development or Commercialization of the Product.

(i) Certain Regulatory Matters.

(i) Dermavant currently holds or has the right to acquire all applicable approvals and authorizations from Governmental Authorities necessary for Dermavant to conduct its business in the manner in which such business is being conducted with respect to the Product, including the Development, manufacture and testing of the Product, and all such approvals and authorizations are in good standing and in full force and effect. None of Dermavant, its Controlled Affiliates, or Parent have received any written notice or any other communication from any Governmental Authority regarding any actual or possible revocation, withdrawal, suspension, cancellation, termination, or material modification of any such approvals or authorizations.

(ii) None of Dermavant, its Controlled Affiliates, or Parent have knowingly made any untrue statement of a material fact or fraudulent statement to any Regulatory Authority or any other Governmental Authority, failed to disclose a material fact required to be disclosed to any Regulatory Authority or other Governmental Authority, or committed an act, made a statement or failed to make a statement, that provides or would reasonably be expected to provide a basis for the FDA or other Governmental Authority to invoke the FDA's policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy of any other Governmental Authority.

(iii) Dermavant is not and has never been, Parent is not and has never been, and, to Dermavant's knowledge and Parent's knowledge, none of Dermavant's Controlled Affiliates have or have ever been, (A) debarred by a Governmental Authority, (B) a party to a settlement, consent or similar agreement with a Governmental Authority regarding the Product, or (C) charged with, or convicted of, violating Applicable Law regarding the Product.

(iv) The Product is being, and, to Dermavant's knowledge and Parent's knowledge, at all times has been, Developed, tested, manufactured, labeled, and stored in compliance in all material respects with all Applicable Laws, including with respect to

investigational use, good clinical practices, good laboratory practices, good manufacturing practices, record keeping, security, and filing of reports.

(v) The Product has never been the subject of or subject to (as applicable) any recall, suspension, market withdrawal, seizure, warning letter, other written communication asserting lack of compliance with any Applicable Law in any material respect, or serious adverse event. No clinical trial of the Product has been suspended, put on hold or terminated prior to completion as a result of any action by any Regulatory Authority or other Governmental Authority or voluntarily. To Dermavant's knowledge and to Parent's knowledge, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for any of the foregoing events.

(vi) Dermavant has, with respect to the Product and Program, made available to NovaQuest true and complete copies of all material pre-clinical and clinical data, reports and analyses, all material correspondence with the FDA, material interim analysis from ongoing trials, material tables from recently completed clinical trials where no clinical study report is available, and any other information that is material to the Development or Commercialization of the Product.

(vii) None of Dermavant, its Controlled Affiliates, or Parent have received any adverse written notice from any Governmental Authority regarding the approvability or approval of the Product.

(j) Subsidiaries and Investments. Dermavant does not own any stock, partnership interest, or other equity securities.

(k) Non-Bank Rules. Dermavant is in compliance with the Non-Bank Rules; provided, that, Dermavant shall not be in breach of this representation if its number of creditors that are not Qualifying Banks in respect of either the 10 Non-Bank Rule or the 20 Non-Bank Rule is exceeded solely because NovaQuest has (i) made an incorrect declaration of its status as to whether or not it is a Qualifying Bank, (ii) failed to comply with its obligations under Section 11.7, or (iii) ceased to be a Qualifying Bank other than as a result of any change in Applicable Law after the date it became a lender under this Agreement.

7.2 **NovaQuest's Representations, Warranties and Covenants**. Except as set forth in disclosure schedules attached hereto, NovaQuest represents, warrants, and covenants to Dermavant as of the Effective Date:

(a) Organization. NovaQuest is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Delaware.

(b) Authorization. NovaQuest has all necessary power, right, and authority to carry on its business as it is presently carried on by NovaQuest, to enter into, execute, and deliver this Agreement and perform all of the covenants, agreements, and obligations to be performed by NovaQuest hereunder. This Agreement has been duly executed and delivered by NovaQuest and constitutes NovaQuest's valid and binding obligation, enforceable against NovaQuest in

accordance with its terms, subject to bankruptcy, insolvency, reorganization, or similar laws affecting the rights of creditors generally, and equitable principles.

(c) No Conflict. Neither the execution and delivery of this Agreement nor the performance or consummation of it or the transactions contemplated hereby will conflict with, result in a breach or violation of, constitute a default under, or accelerate the performance under (with due notice or lapse of time or both) the terms of (i) any Applicable Law; (ii) any contract, agreement, commitment or instrument to which NovaQuest is a party or by which NovaQuest or any of its assets are bound or committed; or (iii) the applicable formation documents for NovaQuest, except, in the case of each of clauses (i) and (ii) for any conflicts, violations, breaches, defaults, alterations, terminations, amendments, accelerations, cancellations, or Liens which would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on NovaQuest's ability to perform its obligations hereunder.

(d) No Consent. No consent, approval, license, order, authorization, registration, declaration, or filing with or of any Person is required by NovaQuest in connection with the execution and delivery by NovaQuest of this Agreement, the performance by it of its obligations under this Agreement or the consummation of any of the transactions contemplated hereby.

(e) Litigation. There is no action, suit, claim, proceeding, interference, reexamination, opposition, or investigation pending or threatened against NovaQuest or its Affiliates at law or in equity, arbitration proceeding to which NovaQuest or its Affiliates is a party, or Governmental Authority inquiry pending or, to the knowledge of NovaQuest, threatened against NovaQuest or any of its Affiliates that, if adversely determined, would prevent the consummation of the transactions contemplated by this Agreement or the Security Agreements or materially impair the ability of NovaQuest to perform its obligations hereunder.

(f) Financial Ability. NovaQuest will have on the Closing Date sufficient funds available to pay the NovaQuest Expense-Sharing Payment at the Closing and otherwise satisfy all of its obligations in connection with this Agreement and the transactions contemplated hereby and in the Security Agreements.

7.3 **Survival of Representations and Warranties**. All representations and warranties of the Parties hereunder are true and correct as of the Effective Date and shall survive the execution and delivery of this Agreement for a period of [***] following the Closing Date.

7.4 **Limitation of Liability; Special, Indirect and Other Losses.** NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY OR ANY OF THEIR AFFILIATES OR ANY RESPONSIBLE PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND OR ANY LOSS OF GOODWILL, ANY LOST PROFITS (INCLUDING MULTIPLES), BUSINESS INTERRUPTION OR LOSS OF ANY CONTRACT OR OTHER BUSINESS OPPORTUNITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE), EVEN IF SUCH PARTY WAS ADVISED OR OTHERWISE AWARE OF THE LIKELIHOOD OF SUCH DAMAGES AND

REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES (IT BEING UNDERSTOOD THAT THE FOREGOING SHALL NOT LIMIT DERMAVANT'S EXPRESS PAYMENT OBLIGATIONS UNDER SECTION 4.1 HEREOF). NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, DERMAVANT'S LIABILITY FOR A BREACH OF THIS AGREEMENT SHALL NOT EXCEED [***] IN THE AGGREGATE, THE MAXIMUM PAYMENT LESS ANY PAYMENTS MADE TO, OR FOR THE BENEFIT OF, NOVAQUEST. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NOVAQUEST'S LIABILITY FOR A BREACH OF THIS AGREEMENT SHALL NOT EXCEED [***]. THE LIMITATIONS OF LIABILITY AND DAMAGES SET FORTH IN THIS SECTION 7.4 WILL NOT LIMIT EITHER PARTY'S INDEMNIFICATION OBLIGATIONS UNDER ARTICLE X.

7.5 **Liquidated Damages**. DERMAVANT ACKNOWLEDGES THAT, WITH RESPECT TO A NON-TECHNICAL TERMINATION, NOVAQUEST'S ACTUAL DAMAGES RESULTING FROM SUCH TERMINATION ARE DIFFICULT TO ESTIMATE AND MAY BE DIFFICULT FOR NOVAQUEST TO PROVE.ACCORDINGLY, THERE MAY BE NO ADEQUATE REMEDY AT LAW TO FULLY COMPENSATE NOVAQUEST. THEREFORE, [***] SHALL BE DEEMED LIQUIDATED DAMAGES AND NOT A PENALTY. EACH PARTY ACKNOWLEDGES THAT (A) THE AMOUNT OF SUCH LIQUIDATED DAMAGES REPRESENTS A FAIR, REASONABLE, AND APPROPRIATE ESTIMATE OF NOVAQUEST'S ACTUAL DIRECT DAMAGES AND (B), PAYMENT OF SUCH AMOUNT SHALL EXTINGUISH ANY CLAIMS THAT NOVAQUEST MAY HAVE SOLELY WITH RESPECT TO A BREACH BY DERMAVANT OF SECTION 3.1.

7.6 **No Other Representations or Warranties**. EACH PARTY TO THIS AGREEMENT AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES MADE BY ITSELF OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, FINANCIAL AND LEGAL ADVISORS, OR OTHER REPRESENTATIVES, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO THE OTHER OR THE OTHER'S REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION WITH RESPECT TO ANY ONE OR MORE OF THE FOREGOING.

ARTICLE VIII
COVENANTS

8.1 **Dermavant Notification to NovaQuest**.

(a) Defaults, Termination and Litigation.

(i) Dermavant shall promptly (but no later than within [***] notify NovaQuest in writing of the commencement of (or receipt of notice of the actual or threatened commencement of) any material dispute, claim, suit, litigation, injunction, or arbitration proceeding related to: (a) the Product or either Indication, or (b) Material Contracts to which Dermavant or a Controlled Affiliate is a party relating to the Product, including those disputes, claims, suits, litigation, or arbitration proceedings alleging a Third Party's infringement or misappropriation of any of the Patents Covering the Product or Product IP Rights owned or licensed by a Responsible Party and those alleging a Responsible Party's (or any of their respective Affiliates', Licensees', or sublicensees') infringement or misappropriation of a Third Party's intellectual property in the Development or Commercialization of the Product. Each such notification shall contain a reasonable summary of the event described therein. At the request of NovaQuest, Dermavant shall promptly discuss with NovaQuest the applicable matter.

(b) Intellectual Property Updates.

(i) Promptly after receipt by a Responsible Party of any notice with respect to any Governmental Authority taking final patent office action that cannot be appealed as part of the patent prosecution process under relevant patent office procedures relating to the status or validity, or change thereto, of any Patents Covering the Product, Dermavant shall provide a copy of such notice to NovaQuest.

(ii) Dermavant shall also keep NovaQuest informed on an annual basis with regard to material developments in the status of the Patents Covering the Product (i.e., pending, granted or abandoned/expired, other than any unpublished filings).

8.2 **No Disposition of Rights**. Without NovaQuest's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed, Dermavant shall not (and Dermavant shall ensure that a Responsible Party, other than a Licensee that has rights to Develop or Commercialize the Product only pursuant to a Solely Ex-U.S. License Agreement, does not) effect a Change of Control, or encumber, sell, assign, transfer, license, sublicense, deliver, or otherwise dispose of all or any of Dermavant's right, title, or interest in or to any Product Assets. Notwithstanding the foregoing, Dermavant may, without NovaQuest's consent, (a) enter into a License Agreement with a Qualified Party or Qualified Party Subsidiary but only if the Licensee agrees to (i) comply with its obligations hereunder as a Responsible Party and (ii) not assign or sublicense its rights to any Third Party that is not also a Qualified Party or Qualified Party Subsidiary, (b) enter into a [***], (c) grant a license or sublicense or otherwise transfer rights purchased under the APA, provided that such license, sublicense or other transfer (i) is to [***] and (ii) would not reasonably be expected to result in a Material Adverse Effect; ~~and~~ (d) sell, transfer or otherwise dispose of inventory of the Product in the ordinary course of business or other Product Assets that Dermavant reasonably believes are no longer necessary or useful in the Development or Commercialization of the Product (such as obsolete equipment) in the ordinary course of

business, [***], (e) [***], (f) incur Senior Secured Debt and encumber its assets (including the Product Assets) to secure such Senior Secured Debt, and (g) enter into the Revenue Interest Purchase and Sale Agreement and perform its obligations thereunder. After the execution of any License Agreement [***] Dermavant shall provide NovaQuest with a true and complete copy of such agreement within [***] following the execution thereof, provided that Dermavant shall be permitted to redact confidential terms, such as economic terms. If any such [***] License Agreement is amended, then Dermavant shall provide NovaQuest with copy of such amendment within [***] following the execution thereof. Additionally, Dermavant [***] may, without NovaQuest's consent, encumber the Product Assets, including pursuant to one or more debt financings ~~but only if:~~, provided that, (A) the aggregate secured indebtedness for borrowed money of Dermavant that is *pari passu* with the obligations to NovaQuest secured by the Security Agreements does not exceed [***] prior to Marketing Approval in the United States or [***] after such Marketing Approval (in each case, exclusive of Dermavant's obligations to NovaQuest hereunder); (B) such debt ranks *pari passu*, or is subordinated, to Dermavant's obligations to NovaQuest hereunder; and (C) the lender(s) in such debt financing(s) enter into an intercreditor agreement with NovaQuest on customary terms and conditions that are reasonably acceptable to NovaQuest. In connection with the incurrence of any Senior Secured Debt, NovaQuest (upon request of Dermavant) shall enter into an intercreditor agreement with the lenders or financing sources under such Senior Secured Debt (or the agent to such lenders) on terms consistent with the definition of "Senior Secured Debt".

8.3 **Dermavant's IP Obligations**. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, Dermavant shall (and shall cause each Responsible Party to) use Commercially Reasonable Efforts, taking into account CRE Considerations, to:

(a) prosecute and maintain in full force and effect all Patents Covering the Product owned or controlled by it on or after the Effective Date;

(b) maintain, keep in full force and effect and seek available patent term extensions for any such Patents Covering the Product;

(c) defend any challenge to the validity, patentability, enforceability, and/or non-infringement of any of the Patents Covering the Product or any opposition to any of the Patents Covering the Product in any court, administrative agency, or other forum;

(d) in the event a Third Party is infringing the Patents Covering the Product, cause such infringement to cease, including by initiating legal proceedings against any Third Party infringer; and

(e) maintain all material Product Know-How in confidence.

8.4 **Additional Covenants and Agreements of Dermavant**.

(a) Compliance with Law. With respect to the performance of this Agreement and the activities contemplated by this Agreement, except as would not reasonably be expected to give rise to a Material Adverse Effect, Dermavant shall comply, and shall cause each Responsible Party to comply with all Applicable Laws.

(b) Material Contracts. Dermavant shall comply with all material terms and conditions of, and fulfill all of its obligations under, all of the Material Contracts to which Dermavant or a Controlled Affiliate is a party, except for such noncompliance that could not reasonably be expected to give rise to a Material Adverse Effect. Dermavant shall enforce against the other party(ies) to each Material Contract to which Dermavant or a Controlled Affiliate is a party all material terms and conditions thereunder, except where the failure of the other party(ies) to perform would not reasonably be expected to give rise to a Material Adverse Effect. Dermavant shall not amend any Material Contract in any material respect or issue any waivers or consents or other approvals under any Material Contract without the prior written consent of NovaQuest (not to be unreasonably withheld or delayed), except where such amendment, waiver, or consent would not reasonably be expected to give rise to a Material Adverse Effect.

~~(c) Competing Product. If, at any time before the date that is~~ [***] ~~following the first commercial sale of the Product in the U.S., Dermavant (either directly or through a Responsible Party) commercializes any Competing Product, then, for so long as such product remains a Competing Product, the net sales of any such Competing Product (calculated in accordance with the definition of "Net Sales" in this Agreement) shall be deemed to be Net Sales of the Product until the earlier of: (i) the expiration of such~~ [***] ~~and (ii) the expiration of the Measurement Period.~~

(c) [***]

8.5 **Interim Covenants**. Except as otherwise contemplated by this Agreement, including the consummation of the transactions contemplated under the APA, between the Effective Date and the Closing Date, unless NovaQuest shall otherwise provide its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), Dermavant shall conduct its operations in a manner that will not materially impair its ability to perform its obligations under this Agreement. Except as otherwise contemplated by this Agreement or as set forth in Schedule 8.5, between the Effective Date and the Closing Date, without the prior consent of NovaQuest (which consent shall not be unreasonably withheld, conditioned or delayed), Dermavant shall not sell, transfer, license, encumber or otherwise dispose of any assets or rights purchased under the APA or any interest therein.

8.6 **Non-Bank Rules**. Dermavant shall ensure that it is at all times in compliance with the Non-Bank Rules; provided, that, Dermavant shall not be in breach of this covenant if its

number of creditors that are not Qualifying Banks in respect of either the 10 Non-Bank Rule or the 20 Non-Bank Rule is exceeded solely because NovaQuest has (i) made an incorrect declaration of its status as to whether or not it is a Qualifying Bank or (ii) failed to comply with its obligations under Section 11.7 (Successors and Assigns).

8.7 **Equity Commitment Letter**.

(a) Equity Commitment Letter Representations. Dermavant has delivered to NovaQuest a true, correct and complete copy of the Equity Commitment Letter, which provides that NovaQuest is a third-party beneficiary thereof entitled to specific performance in accordance with its terms. The Equity Commitment Letter is a legal, valid and binding obligation of Parent and Dermavant Parent, except as enforceability may be limited by applicable Bankruptcy Laws and principles of equity. As of the Second Amendment Effective Date, the Equity Commitment Letter has not been amended, restated, supplemented or otherwise modified, or compliance with any of the terms thereof waived, and no such amendment, restatement, supplement, modification or waiver is contemplated. As of the Second Amendment Effective Date, neither Dermavant nor Dermavant Parent has any knowledge of any event that has occurred which (with or without notice or lapse of time, or both) would reasonably be expected to constitute a default or breach or a failure to satisfy a condition on the part of any party under the Equity Commitment Letter. Neither Dermavant nor Dermavant Parent has any reason to believe that any of Dermavant, Parent, or Dermavant Parent will be unable to satisfy on a timely basis any term or condition of the funding of the equity financings set forth in the Equity Commitment Letter (the "Equity Financings"). As of the Second Amendment Effective Date, there are no conditions or other contingencies related to funding of the full amount of the Equity Financings other than those expressly set forth in the Equity Commitment Letter delivered to NovaQuest prior to the execution and delivery of the Second Amendment. There are not, and there are not contemplated to be, any side letters or other contracts or arrangements related to the Equity Financings that could reasonably be expected to adversely affect the timing, conditionality or availability of the funding of the Equity Financings, other than as expressly contained in the Equity Commitment Letter delivered to the NovaQuest prior to the execution and delivery of the Second Amendment.

(b) Amendments and Waivers. Neither Dermavant nor Dermavant Parent shall amend or consent to any waiver of any provision of the Equity Commitment Letter without the prior written consent of NovaQuest (such consent not to be unreasonably withheld, conditioned or delayed); provided that in no event shall any such amendment or waiver (i) release or relieve (or have the effect of releasing or relieving) Parent from its equity commitments thereunder or reduce the aggregate amount of such equity commitments, (ii) postpone or delay (or have the effect of postponing or delaying) any required funding date thereunder by more than [***], (iii) impose new or additional conditions or expand, amend or modify any of the conditions to the receipt of the Equity Financings described in the Equity Commitment Letter, in each case of this clause (b)(iii), that would reasonably be expected to prevent, delay or impede the funding of the Equity Financings or, except as permitted by clause (b)(ii) above, make the timely funding of the Equity Financings less likely to occur, (iv) adversely impact the ability of Dermavant Parent or Dermavant to enforce its rights against any party to the Equity Commitment Letter pursuant to the terms of the Equity Commitment Letter or (v) modify in any respect the

third party beneficiary and specific performance rights of NovaQuest under the Equity Commitment Letter.

(c) Dermavant and Dermavant Parent shall deliver to NovaQuest correct and complete copies of any amendment, waiver or modification to the Equity Commitment Letter as promptly as practicable, and in any event within two Business Days, following the execution thereof. Dermavant and Dermavant Parent shall give NovaQuest prompt written notice (i) of any breach or default (or any event, fact or circumstance that, with or without notice, lapse of time or both, would reasonably be expected to result in a breach or default) by any party to the Equity Commitment Letter or definitive document with respect thereto, in each case, of which Dermavant or Dermavant Parent becomes aware, (ii) if and when Dermavant or Dermavant Parent becomes aware that any portion of the Equity Financings contemplated by the Equity Commitment Letter may not be available on the terms and conditions contemplated by the Equity Commitment Letter, (iii) of the receipt by Dermavant, Parent, Dermavant Parent or any of their respective Affiliates of any written notice or other written communication from any Person with respect to any (1) actual or potential breach, default, termination or repudiation by any party to the Equity Commitment Letter or definitive document with respect thereto or (2) material dispute or disagreement between any of Dermavant, Parent, and Dermavant Parent with respect to Parent's or Dermavant Parent's obligation to fund the Equity Financings pursuant to the Equity Commitment Letter or any definitive document with respect thereto, (IV) if for any reason Dermavant believes in good faith that it will not be able to obtain any portion of the Equity Financings on the terms, in the manner and from Parent or Dermavant Parent contemplated by the Equity Commitment Letter or any definitive documents with respect thereto and (V) of any expiration or termination of the Equity Commitment Letter or any definitive document with respect thereto.

(d) Each of Dermavant and Dermavant Parent agrees to use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with Parent and Dermavant Parent in doing, all things necessary, proper or advisable to arrange and obtain the Equity Financings when the proceeds thereof shall be required to fund the operations of Dermavant on the terms and conditions described in the Equity Commitment Letter as in effect of the Second Amendment Effective Date (as may be amended in accordance with the terms of Section 8.7(b) above), including enforcement of its rights under the Equity Commitment Letter. Dermavant Parent agrees to contribute any net cash proceeds of the Equity Financings to Dermavant as needed to fund Dermavant's operations; provided that Dermavant Parent may retain cash proceeds needed to fund the operations of Dermavant Parent and its other subsidiaries; provided, further, that Dermavant Parent and Dermavant shall not, and shall not permit their respective Subsidiaries to, use such net cash proceeds to fund acquisitions (including by in-license) of new products or to develop or commercialize assets other than assets relating to the Product.

(e) [***]

[***]

ARTICLE IX

TERM AND TERMINATION

9.1 **Term of Agreement**. This Agreement shall commence as of the Effective Date and shall continue until there are no payment obligations under ARTICLE III (Development and Commercialization) and ARTICLE IV (Dermavant's Payments) (the "***Term***"), provided, that, in no event shall the Term exceed [***] ~~Notwithstanding the foregoing, in~~In the event that ~~the Closing does not occur on or before the date that is~~ [***] ~~following the Effective Date, either Party may terminate this Agreement by providing written notice to the other (an "Early Termination").~~ Dermavant shall have made PV Payments in accordance with Section 4.1(a)(iii) (Quarterly Interest Payments) in respect of all remaining Psoriasis Milestone Payments then outstanding, this Agreement will terminate on the date such PV Payments are made. Notwithstanding anything herein to the contrary, upon the termination or expiration of the Equity Commitment Letter in accordance with its terms, this Agreement shall terminate solely as to Dermavant Parent, and Dermavant Parent shall cease to be a party hereto and shall, as of the effective date of such termination or expiration, have no future rights or obligations hereunder.

9.2 **Survival.** Notwithstanding anything to the contrary contained in this Agreement, [***] and all payment obligations that have accrued as of the date of termination shall survive the termination of this Agreement for any reason~~; provided, however, that in the event of an Early Termination, no provisions of this Agreement shall survive~~.

ARTICLE X

INDEMNIFICATION

10.1 General Obligations.

(a) By Dermavant. Dermavant hereby agrees to indemnify, defend, hold harmless, and reimburse NovaQuest and its Affiliates and their respective managers, directors, officers, employees, agents, and its and their respective successors, heirs, and assigns (the "***NovaQuest Indemnitees***") from and against any losses, costs, claims, damages, Liabilities, or expenses (including reasonable attorneys' and professional fees and other expenses of litigation) (collectively, "***Losses***") actually incurred by NovaQuest Indemnitees arising out of claims, suits,

actions, or demands, in each case brought by a Third Party, or settlements or judgments arising therefrom (including personal injury, products liability, and intellectual property infringement or misappropriation claims) (each a "***Third Party Claim***") as a result or arising out of:

(i) a Responsible Party's, or its or their respective agent's or contractor's Development, promotion, marketing, handling, manufacture, packaging, labeling, storage, distribution, pricing, reimbursement, transport, use, sale, or other disposition of the Product;

(ii) any material breach by Dermavant of a representation or warranty of Dermavant contained in this Agreement;

(iii) any breach by Dermavant in any material respect of any covenant, agreement, or obligation of Dermavant contained in this Agreement; or

(iv) a Responsible Party's failure to comply with Applicable Law.

Dermavant's obligations pursuant to this ARTICLE X (Indemnification) shall not apply to the extent such Third Party Claims result from negligence or willful misconduct by any of the NovaQuest Indemnitees or the breach of the terms and conditions of this Agreement by any of the NovaQuest Indemnitees, including the representations and warranties made by NovaQuest in this Agreement.

(b) By NovaQuest. NovaQuest hereby agrees to indemnify, defend, hold harmless, and reimburse Dermavant and its Affiliates and their respective managers, directors, officers, employees, agents, and their respective successors, heirs, and assigns (the "***Dermavant Indemnitees***") from and against any Losses actually incurred by Dermavant Indemnitees arising out of a Third Party Claim as a result or arising out of:

(i) any material breach by NovaQuest of a representation or warranty of NovaQuest contained in this Agreement

(ii) any breach in any material respect by NovaQuest of any covenant, agreement, or obligation of NovaQuest contained in this Agreement; or

(iii) violation by NovaQuest of any Applicable Laws applicable to the performance of NovaQuest's obligations under this Agreement.

NovaQuest's obligations pursuant to this ARTICLE X (Indemnification) shall not apply to the extent such Third Party Claims result from negligence or willful misconduct by any of the Dermavant Indemnitees or the breach of the terms and conditions of this Agreement by any of the Dermavant Indemnitees, including the representations and warranties made by Dermavant in this Agreement.

10.2 Procedures.

(a) Notice. A Party seeking indemnification (the "***Indemnified Party***") under Section 10.1 (General Obligations) shall give prompt written notice to the other Party (the "***Indemnifying Party***") of the assertion of any claim in respect of which indemnity may be

sought hereunder. Such notice shall include a description of the claim and the nature and amount of the applicable Loss, to the extent known at such time. The failure of an Indemnified Party to notify the Indemnifying Party on a timely basis will not relieve the Indemnifying Party of any liability that it may have to the Indemnified Party unless the Indemnifying Party demonstrates that the defense of such action is materially prejudiced by the Indemnified Party's failure to give such notice. The Indemnified Party shall provide the Indemnifying Party with copies of all papers and official documents received in connection with any Third Party Claims for which indemnity is sought hereunder and such other information with respect thereto as the Indemnifying Party may reasonably request. The Parties shall keep each other informed of any facts or circumstances that may be of material relevance in connection with the Loss for which indemnification is sought.

(b) In General. The Indemnifying Party may assume the defense of any Third Party Claim for which indemnity is sought hereunder by giving written notice thereof to the Indemnified Party within [***] after the Indemnifying Party's receipt of a notice provided pursuant to Section 10.2(a) (Notice). Upon assuming the defense of a Third Party Claim, the Indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party. In the event the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall immediately deliver to the Indemnifying Party all original notices and documents (including court papers) received by the Indemnified Party in connection with the Third Party Claim. Should the Indemnifying Party assume the defense of a Third Party Claim, except as provided in Section 10.2(c) (Right to Participate in Defense), the Indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by such Indemnified Party in connection with the analysis, defense, or settlement of the Third Party Claim.

(c) Right to Participate in Defense. Without limiting Section 10.2(b) (General), any Indemnified Party shall be entitled to participate in, but not control, the defense of such Third Party Claim and to employ counsel of its choice for such purpose. However, such employment shall be at the Indemnified Party's own expense unless (i) the employment thereof has been specifically authorized by the Indemnifying Party in writing; (ii) the Indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 10.2(b) (In General) (in which case the Indemnified Party shall control the defense); or (iii) the interests of the Indemnified Party and the Indemnifying Party with respect to such Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of both Parties under Applicable Laws, ethical rules, or equitable principles.

(d) Settlement. With respect to any Third Party Claim, the Indemnifying Party shall have the sole right to consent to the entry of any judgment or enter into any settlement with respect to such Third Party Claim, on such terms as the Indemnifying Party, in its sole discretion, deems appropriate so long as such judgment or settlement (i) does not involve any relief other than the payment of monetary damages, which shall be paid in full by the Indemnifying Party; (ii) does not involve any finding or admission of any violation of Applicable Law by the Indemnified Party or any violation of the rights of any Person by the Indemnified Party; and (iii) includes, as an unconditional term thereof, the giving by the applicable Third Party of a full and unconditional release of the Indemnified Party from all liability with respect to the matters that

are subject to such Third Party Claim. Except as set forth in this Section 10.2(d) (Settlement), the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to any Third Party Claim without the prior written consent of the Indemnified Party.

(e) Cooperation. Regardless of whether the Indemnifying Party chooses to defend any Third Party Claim in respect of which indemnity is sought hereunder, the Indemnified Party shall, and shall cause each of its indemnitees to, cooperate in the defense or prosecution thereof and shall furnish such records, information, and testimony, provide such witnesses, and attend such conferences, discovery proceedings, hearings, trials, and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the Indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnified Parties and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the Indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

(f) Breach by the Indemnifying Party of its Obligations. If the Indemnifying Party denies or fails to timely admit its obligation under this ARTICLE X (Indemnification) regarding a Third Party Claim or fails to assume and diligently conduct the defense of any such Third Party Claim or indemnify and hold harmless the Indemnified Party with respect to any Losses arising out of such Third Party Claim throughout the period that such claim exists, then its right to defend that Third Party Claim shall terminate and the Indemnified Party may assume the defense of, and settle, such claim with counsel of its own choice and on such terms as it deems appropriate, without any obligation to obtain the consent of the Indemnifying Party. Additionally, the Indemnifying Party will be obligated to indemnify and hold harmless the Indemnified Party for such defense and settlement if the Indemnifying Party is determined to have breached its obligations under this ARTICLE X (Indemnification) with regard to such Third Party Claim and the Third Party Claim is subject to the indemnification provisions of this ARTICLE X (Indemnification).

10.3 **Limitations. Off-set Insurance Proceeds**. No Party shall be entitled to recover under this ARTICLE X (Indemnification) for any Third Party Claim to the extent such Third Party Claim is actually recovered by such Party under any applicable insurance policies or other collateral sources. If there is a recovery by a Party under any insurance policy or from any other collateral source subsequent to its indemnification by the Indemnifying Party, then such Party shall promptly pay over the amount of such recovery to the Indemnifying Party (but no more than the amount that the Party received from the Indemnifying Party for such Third Party Claim).

10.4 **No Implied Representations.** The Parties acknowledge and agree that, other than the representations and warranties of the parties specifically contained in this Agreement, there are no representations or warranties of Dermavant, NovaQuest or any other Person either expressed or implied with respect to the Product, ~~Net Sales,~~ Product Assets or the transactions contemplated by this Agreement and that the parties do not rely on, and shall have no remedies in respect of, any representation or warranty not specifically set forth in this Agreement.

10.5 **Limitations; Refund of Taxes**. If any Party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this ARTICLE X (including by the payment of additional amounts pursuant to Section 4.4 and a recalculation of interest rate pursuant to Section 4.6), it shall pay to the Indemnifying Party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such Indemnified Party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such Indemnifying Party, upon the request of such Indemnified Party, shall repay to such Indemnified Party the amount paid over pursuant to this Section 10.5 (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 10.5, in no event will the Indemnified Party be required to pay any amount to an Indemnifying Party pursuant to this Section 10.5 the payment of which would place the Indemnified Party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 10.5 shall not be construed to require any Indemnified Party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Indemnifying Party or any other Person.

ARTICLE XI

MISCELLANEOUS

11.1 **Governing Law.** This Agreement shall be governed by and construed, interpreted, and enforced in accordance with the laws of New York, as applied to agreements executed and performed entirely in New York, without giving effect to the principles of conflicts of law thereof.

11.2 **WAIVER OF JURY TRIAL.** EACH PARTY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT ENTERED INTO PURSUANT HERETO AND AGREES THAT ANY SUCH SUIT, ACTION, OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

11.3 **Dispute Resolution**.

(a) Subject to Section 11.4 (Equitable Relief), prior to the initiation of any arbitration between the Parties, any dispute, controversy, or claim arising under, out of, or in connection with this Agreement, including any subsequent amendments, regarding the validity, enforceability, construction, performance, or breach hereof (a "***Dispute***") shall be first addressed between the Parties' Primary Contacts who will attempt in good faith to reach a mutually acceptable resolution to it, which attempt will include promptly meeting in-person to the extent

practicable. If a Party believes that such discussions are not proving satisfactory, then either Party shall have the right to refer such Dispute to the Parties' Senior Officers for attempted resolution by sending a written notice to the other Party requesting the same (the "***Dispute Notice***"). If either Party provides a Dispute Notice, the Senior Officer (or his or her designee that has authority to enter into a binding agreement on behalf of such Party) from each Party shall, in-person, discuss the Dispute in good faith, commencing within [***] after the delivery of the Dispute Notice and continuing until at least [***] after the delivery of the Dispute Notice. If the two Senior Officers (or their designees) have not reached a mutually acceptable resolution to the Dispute within [***] after the delivery of the Dispute Notice, then upon either Party's written notice to the other Party (an "***Arbitration Notice***"), such Dispute shall be resolved exclusively and with final and binding effect by arbitration conducted under the rules (the [***]) of the [***] (the [***]), as amended from time to time, except as provided in this Section 11.3 (Dispute Resolution) ("***Arbitration***").

(b) Selection of Arbitrators. The Arbitration tribunal shall consist of three (3) arbitrators, which shall be selected as follows: (i) one (1) arbitrator shall be selected by Dermavant; (ii) one arbitrator shall be selected by NovaQuest; and (iii) one (1) arbitrator shall be selected by the two (2) foregoing arbitrators (each such arbitrator, an "Arbitrator"). No Arbitrator shall be current or former employees, officers or directors of, or consultants or advisors to, either Party. In the event that (A) either Party fails to select an Arbitrator within [***] of the Arbitration Notice or (B) the two (2) Arbitrators selected by the Parties fail to select the third Arbitrator within [***] after the selection of the first two (2) Arbitrators by the Parties, then, at the request of either Party, the [***] shall make such selection(s) on behalf of the Parties in accordance with the [***]. The third Arbitrator shall be a national of a country other than that of any of the Parties and shall serve as the chairperson of the Arbitration tribunal.

(c) Venue and Language. The venue of the Arbitration shall be New York, New York. The Arbitration shall be conducted in the English language, and all foreign language documents shall be submitted in the original language and shall be accompanied by a translation into English.

(d) Time Periods. Upon the written mutual agreement of both Parties, any time period specified in this Section 11.3 (Dispute Resolution) or the [***] shall be extended or accelerated according to the Parties' written mutual agreement. The Arbitrators shall take into account both the desirability of making discovery efficient and cost-effective and the needs of the Parties for an understanding of any legitimate issue raised in the Arbitration.

(e) Costs. The costs of the Arbitration, including reasonable fees plus expenses to be paid to the Arbitrator(s) and the reasonable out-of-pocket costs (including the costs incurred for translation of the documents into English, reasonable attorneys' and expert witness fees, and reasonable travel expenses) of the prevailing Party shall be borne by (i) the losing Party, if the Arbitrator(s) rule in favor of one Party on all disputed issues in the Arbitration and (ii) by the Parties, as allocated in writing by the Arbitrator(s) in a manner with a reasonable relationship to the outcome of the Arbitration, if the Arbitrator(s) rule in favor of one Party with respect to some

issues and in favor of the other Party with respect to other issues and, in either case ((i) or (ii)), paid within [***] from the final decision by the Arbitrator.

(f) Decision to be Binding. The decision by the Arbitrator shall be final and binding on the Parties, non-reviewable and non-appealable, and judgment upon any arbitral award may be entered and enforced by any court or other judicial authority of competent jurisdiction.

(g) Confidentiality. The existence of any Dispute, any settlement negotiations, the Arbitration, and any submissions or rulings in connection therewith shall be deemed to be Confidential Information and shall be maintained in confidence by the Parties under industry standard terms or such other terms upon which the Parties agree in writing. The Arbitrator shall have the authority to impose sanctions for unauthorized disclosure of such Confidential Information.

11.4 **Equitable Relief**. Each of the Parties hereto acknowledges that the other Party may have no adequate remedy at law if it fails to perform any of its obligations under ARTICLE VI (Confidential Information) of this Agreement. In such event, each of the Parties agrees that the other Party shall have the right, in addition to any other rights it may have (whether at law or in equity), to pursue equitable remedies such as injunction and specific performance for the breach or threatened breach of any provision of such ARTICLE VI (Confidential Information) from any court of competent jurisdiction.

11.5 **Expenses**. Except as expressly set forth herein, each Party shall be responsible for and bear all of its own costs and expenses (including any legal fees, any accountants' fees, and any brokers', finders', or investment banking fees or any prior commitment in respect thereof) with regard to the negotiation and consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing, each Party (a "***Representing Party***") represents and warrants to the other that the other Party will not be liable for any brokerage commission, finder's fee, or other like payment in connection with the transactions contemplated hereby because of any action taken by, or agreement or understanding reached by, the Representing Party or its Affiliates.

11.6 **Relationship of the Parties**. Nothing in this Agreement is intended to be construed so as to suggest that either Party (except as expressly set forth herein) is obligated to provide, directly or indirectly, any advice, consultations, or other services to the other Party. Neither Party shall have any responsibility for the hiring, termination, or compensation of the other Party's employees or for any employee benefits of any such employee. No employee or representative of a Party shall have any authority to bind or obligate the other Party to this Agreement for any sum or in any manner whatsoever or to create or impose any contractual or other liability on the other Party without such Party's approval.For all purposes and notwithstanding any other provision of this Agreement to the contrary, each Party's legal relationship under this Agreement to the other Party shall be that of independent contractor. This Agreement is not a partnership agreement, and nothing in this Agreement shall be construed to establish a relationship of partners or joint venturers between the Parties.

11.7 **Successors and Assigns**. Neither this Agreement nor any rights or obligations hereunder may be assigned in whole or in part by either Party, by operation of law, or otherwise,

without the prior written consent of the other Party; provided, however, that (a) without the prior written consent of Dermavant, NovaQuest may assign or transfer this Agreement in whole or in part to any Affiliate of NovaQuest and NovaQuest may assign, sell, pledge, contribute, or otherwise transfer its right to payment pursuant to Article IV (Dermavant's Payments) hereof to any Person other than a competitor of Dermavant; ~~and~~ (b) [***] without the prior written consent of NovaQuest, Dermavant may assign this Agreement to Dermavant ~~Sciences Limited~~Parent or any Controlled Affiliate, provided that in the case of this clause (c), NovaQuest is not adversely affected by such assignment and provided further that unless Dermavant remains directly liable for all obligations hereunder, Dermavant and NovaQuest shall first enter into a guarantee agreement [***] pursuant to which Dermavant will guarantee the payment obligations of Dermavant ~~Sciences Limited~~Parent or the Controlled Affiliate, as the case may be. [***]. This Agreement shall be binding upon, and subject to the terms of the foregoing sentence, inure to the benefit of the Parties hereto, their permitted successors, legal representatives, and assigns. Any assignment or attempted assignment not in accordance with this Section 11.7 (Successors and Assigns) shall be null and void. For clarity, NovaQuest's prior written consent is not required in connection with an Initial Public Offering. In no event shall any assignee of NovaQuest hereunder be entitled to any greater benefit of any payment of additional amount under Section 4.4 or any recalculation of interest under Section 4.6 than what NovaQuest would have been entitled to, except to the extent such entitlement to receive a greater payment results from a change in Applicable Law that occurs after the date of such assignment.

Notwithstanding the above, (i) NovaQuest or a subsequent lender under this Agreement shall give the Swiss Borrower notice of any assignment or transfer of any rights or obligations hereunder in whole or in part (along with confirmation as to whether the assignee or transferee is a Qualifying Bank) at least [***] prior to such assignment or transfer; (ii) the Swiss Borrower may make a written objection to NovaQuest or a subsequent lender under this Agreement prior to such assignment or transfer based on the Swiss Borrower's reasonable belief that such assignment or transfer would violate the 10 Non-Bank Rule; and (iii) if such objection is made, such assignment or transfer shall be effected only with the Swiss Borrower's consent, not to be unreasonably withheld or delayed (it being unreasonable to withhold consent unless such assignment or transfer would violate the 10 Non-Bank Rule).

Each subsequent lender which becomes a party to this Agreement shall confirm, prior to becoming a party to this Agreement, which of the following categories it falls in: (1) not a Qualifying Bank; (2) a Qualifying Bank.

11.8 **Notices**. All notices, consents, waivers, requests, and other communications hereunder shall be in writing and shall be delivered in person, sent by confirmed electronic mail,

sent by overnight courier (e.g., Federal Express), or posted by registered or certified mail, return receipt requested, with postage prepaid, to following addresses of the Parties:

If to Dermavant:

Dermavant Sciences GmbH
Viaduktstrasse 8
4051 Basel
Switzerland
[***]

with copies to:

Roivant Sciences, Inc.
320 37th Street, 5th Floor
New York, NY 10018
[***]

Dermavant Sciences, Inc.
~~2398 E. Camelback Rd.~~3780 Kilroy Airport Way, Suite ~~1060~~250
~~Phoenix, AZ 85016~~
Long Beach, CA 90806
[***]

with a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
[***]
125 Broad Street
New York, NY 10004
[***]

If to Dermavant Parent:

Dermavant Sciences Ltd.
3780 Kilroy Airport Way, Suite 250
Long Beach, CA 90806
[***]
with a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
[***]
125 Broad Street
New York, NY 10004
[***]

If to NovaQuest:

NovaQuest Co-Investment Fund VIII, L.P.
4208 Six Forks Road, Suite 920
Raleigh, North Carolina 27609
[***]

with a copy to:

Wyrick Robbins Yates & Ponton LLP
4101 Lake Boone Trail, Suite 300
Raleigh, North Carolina 27607
[***]

or to such other address or addresses as NovaQuest or Dermavant may from time to time designate by notice as provided herein. Any such notice shall be deemed given (a) when actually received when so delivered personally or by overnight courier; (b) if mailed, other than during a period of general discontinuance or disruption of postal service due to strike, lockout, or otherwise, on the [***] after its postmarked date thereof; or (c) if sent by facsimile transmission, on the date sent if such day is a Business Day prior to 5:00 PM Eastern time or the next following Business Day if such day is not a Business Day or is sent after 5:00 PM Eastern time.

11.9 **Severability**. If any provision hereof should be held invalid, illegal, or unenforceable in any jurisdiction, the Parties shall negotiate in good faith a valid, legal, and enforceable substitute provision that most nearly reflects the original intent of the Parties. All other provisions hereof shall remain in full force and effect in such jurisdiction and shall be

liberally construed in order to carry out the intentions of the Parties as nearly as possible. Such invalidity, illegality, or unenforceability shall not affect the validity, legality, or enforceability of such provision in any other jurisdiction. Nothing in this Agreement shall be interpreted so as to require a Party to violate any Applicable Law.

11.10 **Waiver**. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a waiver of the same or any other term or condition of this Agreement on any future occasion.

11.11 **Entire Agreement**. This Agreement (including the Exhibits and Schedules hereto) set forth all of the covenants, promises, agreements, warranties, representations, conditions, and understandings between the Parties relating to the subject matter hereof and thereof and supersede and terminate all prior agreements and understandings between the Parties. There are no covenants, promises, agreements, warranties, representations, conditions, or understandings, either oral or written, between the Parties relating to the subject matter hereof other than as set forth in this Agreement (including the Exhibits and Schedules hereto). Any conflict or inconsistency between the main body of this Agreement, the Exhibits or Schedules and/or any other documents to be delivered pursuant hereto shall be resolved in accordance with the following order of priority: (a) main body of this Agreement; (b) Exhibits and Schedules; and (c) other documents.

11.12 **Third Party Beneficiaries.** Except with regard to the NovaQuest Indemnitees and the Dermavant Indemnitees under ARTICLE X (Indemnification), all rights, benefits, and remedies under this Agreement are solely intended for the benefit of the Parties (including their permitted successors and assigns), and no Third Party (except the NovaQuest Indemnitees and Dermavant Indemnitees with regard to their rights, benefits, and remedies under ARTICLE X (Indemnification) of this Agreement and except for the Parties' permitted successors and assigns) shall have any rights whatsoever to (a) enforce any obligation contained in this Agreement; (b) seek a benefit or remedy for any breach of this Agreement; or (c) take any other action relating to this Agreement under any legal theory, including actions in contract, tort (including negligence, gross negligence and strict liability), or as a defense, setoff, or counterclaim to any action or claim brought or made by the Parties (or any of their permitted successors and assigns).

11.13 **Interpretation**. When a reference is made in this Agreement to Articles, Sections, Schedules, or Exhibits, such reference shall be to an Article, Section, Schedule, or Exhibit to this Agreement unless otherwise indicated. The words "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it. The headings and captions in this Agreement are for convenience and reference purposes only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement. Unless specified otherwise, all statements of, or references to, monetary amounts in this Agreement are to U.S. Dollars. Each accounting term used herein that is not specifically defined herein shall have the

meaning given to it under GAAP, but only to the extent consistent with its usage and the other definitions in this Agreement. Provisions that require that a Party or the Parties "agree," "consent," "approve," or the like shall require that such agreement, consent, or approval be specific and in writing, whether by written agreement, letter, approved minutes, or otherwise. Words of any gender include the other gender, and words using the singular or plural number also include the plural or singular number, respectively. Neither Party hereto shall be deemed to be the drafter of this Agreement for the purposes of construing this Agreement against one Party or the other. If any notice or other action or omission is required to be taken by a Party under this Agreement on a day that is not a Business Day, then such notice or other action or omission shall be deemed to require to be taken on the next occurring Business Day.

11.14 **Amendments**. This Agreement, including any attachments or exhibits hereto, may be amended, modified, or supplemented only by a written amendment or agreement signed by an authorized officer of each of NovaQuest and Dermavant.

11.15 **No Implied Licenses**. Each Party acknowledges that the rights granted in this Agreement are limited to the scope expressly granted, and all other rights to each Party's respective technologies and intellectual property rights are expressly reserved to the Party owning or controlling such technologies and intellectual property rights.

11.16 **Counterparts**. This Agreement may be executed in any number of counterparts with the same effect as if each of the Parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one agreement. This Agreement, to the extent signed and delivered by means of a facsimile machine or via e-mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

11.17 **Further Assurances**. Each of the Parties hereto shall execute and deliver such additional documents, certificates, and instruments, and shall perform such additional acts, as may be reasonably requested and necessary or appropriate to carry out the purposes and intent of all of the provisions of this Agreement and to consummate all of the transactions contemplated by this Agreement.

11.18 **Remedies**. The rights and remedies of the Parties under this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. Unless specifically and expressly stated in this Agreement as exclusive, each remedy of the Parties specified in this Agreement, is not exclusive, and, subject to the terms of this Agreement, the Parties shall be entitled to pursue any available legal or equitable remedy for breach of this Agreement or any provision hereof.

[Signature page follows]

Exhibit 10.42

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE ROIVANT SCIENCES LTD. (THE "COMPANY") HAS DETERMINED THAT THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

EXECUTION VERSION

FIRST AMENDMENT TO REVENUE INTEREST PURCHASE AND SALE AGREEMENT

This First Amendment to Revenue Interest Purchase and Sale Agreement (this "Amendment") is made as of May 24, 2024, by and among DERMAVANT SCIENCES GMBH, a limited liability company organized under the laws of Switzerland ("Dermavant"), DERMAVANT SCIENCES, LTD., an exempted company organized under the laws of Bermuda, solely for purposes of Section 5.21 and Article VIII of the RIPSA ("Parent" and, together with Dermavant, the "Dermavant Parties"), XYQ LUXCO S.À R.L. ("XYQ Luxco"), NovaQuest Co-Investment Fund XVII, L.P. ("NovaQuest"), MAM Tapir Lender, LLC ("Marathon" and, with XYQ Luxco and NovaQuest, the "Purchasers") and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as collateral agent on behalf of the Purchasers (the "Collateral Agent").

WHEREAS, Dermavant, the Purchasers and the Collateral Agent previously entered into that certain Revenue Interest Purchase and Sale Agreement, dated as of May 14, 2021 (including the exhibits and other attachments thereto, the "Existing RIPSA", and as amended by this Amendment, the "RIPSA");

WHEREAS, Dermavant has requested, and the Purchasers and the Collateral Agent have agreed, to make certain modifications to the terms of the Existing RIPSA as set forth in this Amendment;

WHEREAS, concurrently with the execution of this Amendment, Dermavant is entering into (i) that certain Second Amendment to the NovaQuest Funding Agreement, dated as of the date hereof, by and between Dermavant, Parent and NovaQuest Co-Investment Fund VIII, L.P. (the "Amendment to NovaQuest Funding Agreement") and (ii) that certain First Amendment to Senior Credit Agreement, dated as of the date hereof, by and among Dermavant, Parent, Dermavant Sciences Irl, Limited, Dermavant Holdings Limited, the guarantors party thereto, XYQ Luxco S.à r.l. and the Senior Lender Collateral Agent (the "Amendment to Credit Agreement");

WHEREAS, in consideration for the Purchasers' entry into this Amendment, and as a condition precedent thereto, Parent has agreed to issue to the Purchasers [***] common shares of Parent in the aggregate (subject to the anti-dilution protections entered into therewith) (such common shares, the "RIPSA Shares"); and

WHEREAS, as a further condition precedent to the effectiveness of this Amendment, the Amendment to NovaQuest Funding Agreement and the Amendment to Credit Agreement, Ultimate Parent and Parent have agreed to enter into that certain Equity Commitment Letter, dated as of the date hereof (the "Equity Commitment Letter"), pursuant to which Ultimate Parent has agreed to make certain equity contributions to Parent on the date hereof and from time to time hereafter.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, each of the Dermavant Parties, the Purchasers and the Collateral Agent hereby covenants and agrees as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Existing RIPSA.

2. Amendments. Subject to the satisfaction of the conditions precedent specified in Section 4 hereof, on the First Amendment Effective Date, the Existing RIPSA shall be amended as set forth on **Exhibit A** to this Amendment.

   (a) Language inserted into the applicable section of the Existing RIPSA is evidenced by double underline formatting in blue text (indicated textually in the same manner as the following example: double underlined text). Language deleted from the applicable section of the Existing RIPSA is evidenced by strike-through formatting in red text (indicated textually in the same manner as the following example: ~~stricken text~~);

   (b) Except the extent specifically set forth in **Exhibit A**, the Exhibits and Schedules to the RIPSA are not amended or modified hereby in any respect.

   It is agreed that no conforming revisions have been made to the other Transaction Documents, and, to the extent that there are other revisions to the Transaction Documents necessitated by this Amendment, the parties hereto agree to cooperate and make reasonable revisions to such other Transaction Documents to reflect the agreements contained in this Amendment. Any references to the RIPSA in the other Transaction Documents shall mean the RIPSA as amended by this Amendment.

3. Reaffirmation of Transaction Documents. Dermavant, as Grantor under the Security Agreements, hereby (i) agrees that each of the Transaction Documents is, and shall continue to be, in full force and effect and is hereby in all respects ratified and confirmed on the First Amendment Effective Date, except that, on and after the First Amendment Effective Date, each reference to the "*RIPSA*", "*this Agreement*", "*thereunder*", "*thereof*" or words of like import shall, unless the context otherwise requires, mean and be a reference to the Existing RIPSA as amended by this Amendment, and (ii) confirms that the Security Agreements and all of the Collateral described therein do, and shall continue to, secure the payment in full and performance of all of the obligations under the Transaction Documents.

4. Conditions Precedent to Effectiveness. This Amendment shall not be effective unless and until each of the following conditions precedent has been fulfilled to the satisfaction of the Collateral Agent and each of the Purchasers party hereto (the date of such fulfillment, the "First Amendment Effective Date"):

   (a) This Amendment shall have been duly executed and delivered by each of the Dermavant Parties, the Collateral Agent and the Purchasers;

   (b) The Purchasers and Collateral Agent shall have received true, correct and complete fully-executed copies of (i) the Amendment to NovaQuest Funding Agreement, (ii) the Amendment to Credit Agreement, (iii) the Equity Commitment Letter and (iv) an amendment to the Parity Intercreditor Agreement in form and substance satisfactory to the Purchasers and Collateral Agent;

(c) Each Purchaser shall have received its Percentage Interest of the RIPSA Shares;

(d) [Reserved];

(e) On the First Amendment Effective Date, after giving effect to the amendments contemplated hereby, (i) the representations and warranties contained in Section 6 and Article III of the Existing RIPSA shall be true and correct as of the First Amendment Effective Date as though made on and as of such date and (ii) there exist no Events of Default; and

(f) The Purchasers and Collateral Agent shall have received the following:

(i) an opinion of Sullivan & Cromwell LLP, counsel to each of the Dermavant Parties, as to matters related to U.S. law;

(ii) an opinion of VISCHER AG, Swiss counsel to each of the Dermavant Parties, as to such matters as the Purchasers may reasonably request;

(iii) an opinion of CONYERS DILL & PEARMAN LIMITED, Bermuda counsel to each of the Dermavant Parties, as to such matters as the Purchasers may reasonably request;

(iv) a copy of the resolutions of each of the Dermavant Parties, certified as of the First Amendment Effective Date by an officer thereof, authorizing the execution, delivery and performance by each of the Dermavant Parties of the Amendment and the execution and delivery of the other documents to be delivered by such Person in connection herewith;

(v) a certificate of the appropriate official(s) of the jurisdiction of organization, certifying as of a recent date not more than 30 days prior to the First Amendment Effective Date as to the subsistence in good standing or qualification of each of the Dermavant Parties in such jurisdiction;

(vi) a copy of the organizational documents of each of the Dermavant Parties, together with all amendments thereto, certified as of the First Amendment Effective Date by an executive officer of each of the Dermavant Parties;

(vii) a certificate of an officer of each of the Dermavant Parties, dated as of the First Amendment Effective Date and certifying the names and true signatures of the persons that are authorized to execute and deliver this Amendment on behalf of each of the Dermavant Parties;

(viii) the results of searches for any effective financing statements, records of assignment for patents, trademarks or copyrights, tax Liens, judgment Liens, bankruptcy filings or other court proceedings, as the Purchasers shall have reasonably requested, filed against or naming Dermavant or Dermavant Sciences, Inc. or its respective property, which results shall not show any such Liens (other than Permitted Liens acceptable to the

Purchasers) or bankruptcy filings or other court proceedings (other than court proceedings acceptable to the Purchasers).

5. [***]

6. Representations and Warranties. each of the Dermavant Parties hereby represents and warrants:

(a) The execution, delivery and performance by each of the Dermavant Parties of this Amendment and each of the Dermavant Parties' consummation of the transactions contemplated by this Amendment and the RIPSA and performance under this Amendment and the RIPSA do not and will not (i) conflict with any of its organizational, constitutional or constituent documents; (ii) contravene, conflict with, constitute a default under or violate any Applicable Law except as would not reasonably be expected to have a Material Adverse Effect; (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which it or any of its property or assets may be bound or affected except as would not reasonably be expected to have a Material Adverse Effect; (iv) require any action by, filing, registration, or qualification with, or approval of, any Governmental Authority (except such approval which has already been obtained and is in full force and effect, or the filing of any UCC financing statement) except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; or (v) constitute a default under or conflict with any Material Contract that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(b) This Amendment has been duly authorized, executed and delivered by each of the Dermavant Parties and this Amendment and the RIPSA constitute legal, valid and binding agreements of each of the Dermavant Parties, enforceable in accordance with their respective terms (subject to general equitable principles, insolvency, liquidation, reorganization and other Applicable Laws of general application relating to creditors' rights).

(c) The security interests granted by Dermavant and Dermavant Sciences, Inc. in favor of the Collateral Agent in the assets or properties in which each of Dermavant or Dermavant Sciences, Inc. has granted a security interest or other Lien remain perfected, subject only to Permitted Liens.

7. [***]

(a) [***]

(b) [***]

8. Miscellaneous.

(a) Except as otherwise expressly provided herein, (i) all provisions of the RIPSA and the other Transaction Documents remain in full force and effect and (ii) the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Collateral Agent or the Purchasers, nor constitute a waiver of any provision of the Existing RIPSA or any of the Transaction Documents. None of the Collateral Agent or any Purchaser is under any obligation to enter into this Amendment. The entering into of this Amendment by such parties shall not be deemed to limit or hinder any rights of any such party under the Transaction Documents, nor shall it be deemed to create or infer a course of dealing between any such party, on the one hand, and the RIPSA, on the other hand, with regard to any provision of the Transaction Documents.

(b) This Amendment shall constitute a Transaction Document.

(c) This Amendment may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. An executed facsimile or electronic copy of this Amendment shall be effective for all purposes as an original hereof. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby (including without limitation assignments, assumptions, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Collateral Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(d) This Amendment expresses the entire understanding of the parties with respect to the amendments contemplated hereby. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.

(e) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK (WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF THAT WOULD MANDATE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION).

(f) This Amendment shall be subject to Article VII (Indemnification), Section 8.2 (Waiver of Jury Trial), Section 8.3 (Dispute Resolution), Section 8.9 (Severability), Section 8.19 (Waiver of Sovereign Immunity) and Section 8.20 (Currency of Account; Conversion of Currency; Currency Exchange Restriction) of the Existing RIPSA, *mutatis mutandis*.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DERMAVANT:

DERMAVANT SCIENCES GMBH

By: _____
Name:
Title:

PARENT:

DERMAVANT SCIENCES, LTD.

By: _____
Name:
Title:

PURCHASERS:

XYQ LUXCO S.À R.L.

By: _____
Name:
Title:

NOVAQUEST CO-INVESTMENT FUND XVII, L.P.

By: NQ POF V GP, Ltd., its General Partner

By: _____
Name:
Title:

MAM TAPIR LENDER, LLC

By: _____
Name:
Title:

COLLATERAL AGENT:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS COLLATERAL AGENT

By: _____

Name:

Title:

EXHIBIT A

EXHIBIT A

~~Execution Version~~

Revenue Interest Purchase and Sale Agreement

dated as of May 14, 2021

as amended by that certain First Amendment, dated as of May 24, 2024

by and among

Dermavant Sciences GmbH,

solely for purposes of Section 5.21 and Article VIII hereof, Dermavant Sciences Ltd.,

the Purchasers party hereto,

and

solely for purposes of Article IX hereof, U.S. Bank Trust Company, National Association,
as collateral agent on behalf of the Purchasers

THE COLLATERAL AGENT IS PARTY TO THE SENIOR LENDER INTERCREDITOR AGREEMENT DATED AS OF MAY 14, 2021 WITH XYQ LUXCO S.À R.L., AS SENIOR LENDER, AND THE OTHER PARTIES PARTY THERETO FROM TIME TO TIME, BY WHICH THE COLLATERAL AGENT AND EACH PURCHASER, INCLUDING THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, ARE BOUND. THE TERMS OF THIS REVENUE INTEREST PURCHASE AND SALE AGREEMENT, INCLUDING WITHOUT LIMITATION ANY RIGHTS OF ENFORCEMENT HEREUNDER, ARE SUBJECT TO THE TERMS OF SUCH SENIOR LENDER INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS HEREUNDER AND THE TERMS OF SUCH SENIOR LENDER INTERCREDITOR AGREEMENT, THE TERMS OF SUCH SENIOR LENDER INTERCREDITOR AGREEMENT WILL GOVERN AND CONTROL.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, IN ITS CAPACITY AS THE COLLATERAL AGENT HEREUNDER, IS PARTY TO THE PARITY INTERCREDITOR AGREEMENT DATED AS OF MAY 14, 2021, BY WHICH THE COLLATERAL AGENT AND EACH PURCHASER, INCLUDING THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, ARE BOUND. THE TERMS OF THIS REVENUE INTEREST PURCHASE AND SALE AGREEMENT, INCLUDING WITHOUT LIMITATION ANY RIGHTS OF ENFORCEMENT HEREUNDER, ARE SUBJECT TO THE TERMS OF SUCH PARITY INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS HEREUNDER AND THE TERMS OF SUCH PARITY INTERCREDITOR AGREEMENT, THE TERMS OF SUCH PARITY INTERCREDITOR AGREEMENT WILL GOVERN AND CONTROL.

REVENUE INTEREST PURCHASE AND SALE AGREEMENT

This Revenue Interest Purchase and Sale Agreement (as amended by the First Amendment, as defined below, this "Agreement") is entered into as of May 14, 2021 (the "Effective Date") by and among (a) Dermavant Sciences GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Switzerland ("Dermavant"), ~~and,~~ (b) solely for purposes of Section 5.21 and Article VIII, Dermavant Sciences Ltd., an exempted company organized under the laws of Bermuda ("Parent"), and (c) severally and not jointly, the other entities named on the signature pages hereto (together with such entities' successors and assigns, collectively, the "Purchasers" and, each, a "Purchaser"), and, (d) solely for purposes of Article IX, U.S. Bank Trust Company, National Association, as collateral agent on behalf of the Purchasers (the "Collateral Agent"). Each of the Purchasers and Dermavant is referred to herein individually as a "Party" and collectively as the "Parties".

NOW, THEREFORE, in consideration of the premises and mutual covenants, representations and warranties herein below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. When used and capitalized in this Agreement (other than in the headings of the Articles and Sections hereof), including in the Exhibits and Schedules attached hereto and in the Disclosure Letter, the following terms shall have the respective meanings assigned to them in this Section 1.1.

"10 Non-Bank Rule" means the rule that the aggregate number of parties to this Agreement (other than Dermavant) that are not Qualifying Banks must not at any time exceed ten (10), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time.

"20 Non-Bank Rule" means the rule that the aggregate number of creditors (including the Purchasers), other than Qualifying Banks, of the Swiss Seller Party under all of the Swiss Seller Party's outstanding debts relevant for classification as debenture (*Kassenobligation*) must not at any time exceed twenty (20), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time.

"AAA" means the American Arbitration Association. "AAA Rules" has the meaning set forth in Section 8.3(a).
"Additional Amounts" means any additional amounts payable to the Purchasers pursuant to Section 5.6(a).

"Affiliate" means, with respect to a Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such first Person, but only so long as such control exists. For the purposes of this definition, "controlling", "controlled" and "control"

mean the possession, directly (or indirectly through one or more intermediaries), of the power to direct the management or policies of a Person, including through ownership of fifty percent (50%) or more of the Voting Securities of such Person, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble hereto.

"Applicable Law" means any applicable law, rule, regulation, judgment, order, writ, decree, permit or license of any Governmental Authority of competent jurisdiction. For purposes of Section 5.6, the term "Applicable Law" includes FATCA.

"Applicable Percentage" means, with respect to a given Fiscal Quarter and determined as of the earlier of (a) the last day of such Fiscal Quarter and (b) the Termination Date, an amount, expressed as a percentage, equal to the quotient of (i) the sum of (x) with respect to the first $[***] of Net Sales invoiced in the Fiscal Year in which such Fiscal Quarter occurs, an amount equal to the product of (A) [***]% multiplied by (B) each such dollar of such $[***] that is invoiced in such Fiscal Quarter, (y) with respect to the next $[***] of Net Sales invoiced in the Fiscal Year in which such Fiscal Quarter occurs, an amount equal to the product of (A) [***]% multiplied by (B) each such dollar of such $[***] that is invoiced in such Fiscal Quarter and (z) with respect to any Net Sales above $[***] invoiced in the Fiscal Year in which such Fiscal Quarter occurs, an amount equal to the product of (A) [***]% multiplied by (B) each such dollar above such $[***] that is invoiced in such Fiscal Quarter, divided by (ii) the aggregate Net Sales invoiced in such Fiscal Quarter; provided, however, that, notwithstanding the foregoing, if (X) a Base Case Forecast Shortfall exists as of the earlier of (I) the last day of such Fiscal Quarter and (II) the Termination Date and (Y) such Fiscal Quarter or the Fiscal Quarter in which the Termination Date occurs, as applicable, ends on or after [***] then the Applicable Percentage shall be [***]% (it being understood that such [***]% shall apply to all Net Sales invoiced in such Fiscal Quarter); provided, further, however, that in each case any such amount shall apply to Net Sales whether or not paid or received.

"Arbitration" has the meaning set forth in Section 8.3(a).

"Arbitration Notice" has the meaning set forth in Section 8.3(a).

"Arbitrator" has the meaning set forth in Section 8.3(b).

"Auditor" has the meaning set forth in Section 5.5(c).

"Bankruptcy Event of Default" means any of (i) the liquidation or dissolution of Dermavant, (ii) a Voluntary Bankruptcy or (iii) an Involuntary Bankruptcy.

"Bankruptcy Law" means Title 11, United States Code, or any similar U.S. federal or state law for the relief of debtors (or their non-U.S. equivalents).

"Base Case Forecast Shortfall" means that both (i) cumulative Quarterly Revenue Amounts paid pursuant to this Agreement with respect to all Fiscal Quarters on and prior to [***] were less than the amount set forth opposite the last day of the Fiscal Quarter ending [***] in Exhibit C attached hereto and (ii) cumulative Quarterly Revenue

Amounts paid pursuant to this Agreement with respect to all Fiscal Quarters on and prior to the Fiscal Quarter with respect to which the Applicable Percentage is being determined were less than the amount set forth opposite the last day of such Fiscal Quarter in Exhibit C attached hereto.

"Base Currency" has the meaning set forth in Section 8.20(b)(i).

"Bill of Sale" means that certain bill of sale to be dated as of the Funding Date executed by Dermavant and the Purchasers substantially in the form of Exhibit B attached hereto.

"Business Day" means any day other than a Saturday, a Sunday or any other day on which banking institutions located in New York, New York or Basel, Switzerland are generally closed or are obligated by Applicable Law to close.

"Capital Securities" means, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued after the Effective Date, including common shares, ordinary shares, preferred shares, participation rights, profit sharing certificates, membership interests or share capital in a limited liability company or other Person, limited or general partnership interests in a partnership, beneficial interests in trusts or any other equivalent of such ownership interest or any options, warrants, subscription rights and other rights to acquire such shares or interests, including rights to allocations and distributions, dividends, redemption payments and liquidation payments (other than convertible Indebtedness).

"Change of Control" means any of the following:

~~"Change of Control" means any of the following:~~ (i) the sale, lease ~~or~~, transfer (including by exclusive license or sublicense), in one or a series of related transactions, of all or substantially all of the assets of Dermavant, or of all or substantially all of the Product Assets, to Third Parties;

~~—~~(ii) at any time prior to the consummation of a Qualified IPO or an Ultimate Parent Spinout, Ultimate Parent ceasing to beneficially own, directly or indirectly, including through one or more intermediaries, at least [***] of the total voting power of the issued and outstanding Voting Securities of Parent;

~~—~~(iii) at any time following the consummation of a Qualified IPO or an Ultimate Parent Spinout, Parent becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition of the beneficial ownership by any "person" or "group" (as such terms are used within Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act, or any successor provision), but excluding Ultimate Parent and its Affiliates, in a single transaction or in a related series of transactions, by way of merger, amalgamation, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of (x) [***] or more of the total voting power of the issued and outstanding Voting Securities of Parent and (y) total voting power of the issued and outstanding Voting

Securities of Parent that is greater than the total voting power of the issued and outstanding Voting Securities of Parent beneficially owned by Ultimate Parent; ~~provided, that, for the purposes of determining beneficial ownership in this clause~~

~~(iii), a beneficial owner shall have the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition;~~ (iv) Parent ceasing to beneficially own, directly or indirectly, including through one or more intermediaries, at least [***] of the total voting and economic power of Dermavant; or

~~-~~(v) the merger, amalgamation or consolidation of Dermavant with or into a Third Party, other than ~~in the case of this clause (v)~~ a merger, amalgamation or consolidation of Dermavant in which holders of a majority of the total voting power of the issued and outstanding Voting Securities of Dermavant, directly or indirectly, including through one or more intermediaries, immediately prior to such merger, amalgamation or consolidation will hold, directly or indirectly, including through one or more intermediaries, a majority of the total voting power of the issued and outstanding Voting Securities of such Third Party or the surviving Person in such merger, amalgamation or consolidation, as the case may be, immediately after such merger, amalgamation or consolidation~~, provided, however, that, with respect to a transaction described in clause (i) above, clause (iii) above or clause (v) above, if (x) the acquiring Person in such transaction is a Qualified Party, (y) to the extent Dermavant is party to such transaction but is not the surviving Person in such transaction, such surviving Person expressly agrees to assume Dermavant's obligations under the Deal Documents, and (z) there shall not have occurred and been continuing upon the consummation of such transaction a Default or an Event of Default, then such transaction shall not constitute a Change of Control.~~.

[***]

For the purposes of determining beneficial ownership above, a beneficial owner shall have the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

[***]

"Claim" has the meaning set forth in Section 7.1(a).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Collateral Agent" has the meaning set forth in the preamble hereto.

"Collateral Agreement" means that certain RIPSA Collateral Agreement dated as of the Effective Date between Dermavant and the Collateral Agent (and all documentation required pursuant thereto, including any joinder agreement for any Controlling Affiliate).

"Collateral Assignment" means that certain Collateral Assignment dated as of the Effective Date between Dermavant and the Collateral Agent.

"Combination Product" means a Product that is comprised of or contains the compound set forth in Schedule 1 attached hereto in addition to one or more additional active ingredients (whether co-formulated or co-packaged) that are neither the compound set forth in Schedule 1 attached hereto nor generic or other non-proprietary compositions of matter.

"Commercialization", "Commercialize" or "Commercializing" means any and all activities directed to marketing, promoting, making, manufacturing, distributing, importing, exporting, offering to sell or selling the Product, including manufacturing and activities directed to obtaining any pricing and reimbursement approvals that must be obtained from a Regulatory Authority before placing the Product on the market for sale and including any licensing activities.

"Commercially Reasonable Efforts" means [***].

"Competing Product" means [***].

"Confidential Information" has the meaning set forth in Section 4.1.

"Controlling Affiliate" means, with respect to Dermavant, Parent or an Affiliate that is, directly or indirectly, under the control of Parent.

"Cover" means that the use, manufacture, sale, offer for sale, development, commercialization or importation of the subject matter in question by an unlicensed Person would infringe a claim of a Patent.

"CRE Considerations" means [***].

"Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"Deal Documents" means the Transaction Documents to which Dermavant is or will be party.

"Default" means any event that, with the giving of notice or passage of time, or both, could result in an Event of Default.

"Dermavant" has the meaning set forth in the preamble hereto. [***].

"Dermavant Indemnitees" has the meaning set forth in Section 7.1(b).

"Develop", "Developing" or "Development" means engaging in manufacturing, preclinical, clinical or other research and development activities directed towards obtaining Marketing Approval of the Product.

"Disclosing Party" has the meaning set forth in Section 4.1.

"Disclosure Letter" means that certain confidential disclosure letter dated as of the Effective Date delivered by Dermavant to the Purchasers.

"Disposition" or "Dispose" means, with respect to any Person, directly or indirectly, the

sale, assignment, conveyance, transfer, license, sublicense or other disposition (whether in a single transaction or a series of related transactions) (including by way of a sale and leaseback transaction) of property or assets by any Person.

"Dispute" has the meaning set forth in Section 8.3(a).

"Dispute Notice" has the meaning set forth in Section 8.3(a).

"Distributor" means (i) a Third Party distributor of any Product that has no royalty or other payment obligations to Dermavant or any of its Affiliates that are calculated based on amounts invoiced or received by such Third Party for sales of the Product or (ii) a Third Party distributor of any Product that (a) does not take title to the Product, (b) does not invoice sales of the Product to Third Party customers and (c) is responsible only for inventory management and distribution with respect to such Product on behalf of Dermavant or any of its Affiliates.

"Effective Date" has the meaning set forth in the preamble hereto.

"Equity Commitment Letter" means that certain Equity Commitment Letter, dated as of the First Amendment Effective Date, by and between the Ultimate Parent and the Parent, as amended, restated, supplemented or otherwise modified from time to time (or any extension, replacement or refinancing thereof) in accordance with the terms hereof.

"Equity Financings" has the meaning set forth in Section 5.21(a).

"Erroneous Payment" has the meaning set forth in Section 9.12(a).

"Erroneous Payment Notice" has the meaning set forth in Section 9.12(b).

"Event of Default" means any of (i) any Bankruptcy Event of Default, (ii) the breach by Dermavant of (x) any payment obligations under Section 5.11, which failure to pay continues for more than 10 Business Days, or (y) any non-payment obligations under Section 5.11, (iii) the breach by Dermavant of any of its other payment obligations under this Agreement, which failure to pay continues for more than 10 Business Days after receipt of written notice from any of the Purchasers, (iv) except as set forth in clause (ii) above or clause (iii) above or clause (viii) below, the breach by Dermavant of any of its obligations under any Deal Document, where the Required Purchasers have provided notice of such breach to Dermavant in writing and Dermavant has not cured such breach within 45 days following receipt of such notice and where such breach, if not cured, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (v) the failure to make any payment in respect of any indebtedness of Dermavant or Parent within any applicable grace period after such payment is due and payable (including at final maturity) or the acceleration of any indebtedness of Dermavant by the holders thereof occurs, in each case if the total principal amount of such indebtedness exceeds $5,000,000 (but excluding any failure or default under the Senior ~~Credit Agreement~~Secured Debt that has been waived by the lender or lenders thereunder), and in each case where such failure to pay continues for more than 10 Business Days, (vi) a breach by Dermavant of any of its obligations under the NovaQuest Funding Agreement resulting in the exercise of remedies under the security agreements related to the NovaQuest Funding Agreement ~~or~~, (vii) a default or event of default under the Senior ~~Credit Agreement~~Secured Debt that results in an acceleration of the

obligations thereunder, which acceleration is not rescinded, or the obligations thereunder are not paid in full [***].

"Event of Default Closing Date" has the meaning set forth in Section 2.7(a).

"Event of Default Fee" means $160,000,000 less the amount of any Revenue Interests previously paid to the Purchasers pursuant to this Agreement (but in no event less than zero).

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Purchaser or required to be withheld or deducted from a payment to a Purchaser: (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case (x) imposed as a result of such Purchaser being organized under the laws of, or having its principal office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (y) that are Other Connection Taxes; (ii) Taxes attributable to such Purchaser's failure to comply with Section 5.6(b) (or Section 5.6(c), as applicable); (iii) withholding Taxes imposed under FATCA; and (iv) Swiss Withholding Tax imposed as a result of such Purchaser (x) making an incorrect declaration of its status as to whether or not it is a Qualifying Bank and as to how many lenders it counts under the Non-Bank Rules or (y) failing to comply with its obligations under Section 8.7. For the avoidance of doubt, for the purposes of this definition, any reference to a Purchaser includes any successor or assignee of such Purchaser in accordance with Section 8.7.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or

convention among Governmental Authorities and implementing such sections of the Code.

"FDA" means the U.S. Food and Drug Administration, or any successor agency thereto.

"First Amendment" means that certain First Amendment to Revenue Interest Purchase and Sale Agreement, dated as of the First Amendment Effective Date, by and among Dermavant, the Purchasers and the Collateral Agent.

"First Amendment Effective Date" shall have the meaning given to "First Amendment Effective Date" in the First Amendment.

"Fiscal Quarter" means each three-month period commencing January 1, April 1, July 1 or October 1 during the Term, beginning with the January 1, April 1, July 1 or October 1 of the three-month period in which the Funding Date occurs.

"Fiscal Year" means each twelve (12)-month period from April 1 through March 31. "Funding" means the payment by the Purchasers (severally in accordance with their

Percentage Interests) to Dermavant of the Purchase Price on the Funding Date.

"Funding Condition" means both (a) the Purchasers have obtained Tax Rulings confirming that they count, in the aggregate, as not more than ten lenders under the Non-Bank Rules that are not Qualifying Banks, and (b) the FDA has granted Marketing Approval of the Product (i) on or prior to June 30, 2023 and (ii) unless waived in writing by the Required Purchasers, prior to the occurrence of any Default or Event of Default.

"Funding Condition Satisfaction Notice" means a written notice from Dermavant to the Purchasers certifying that the Funding Condition has occurred, identifying the Funding Date, and providing the wire transfer instructions of Dermavant in respect of the Funding.

"Funding Date" means a Business Day, identified in the Funding Condition Satisfaction Notice, that is no earlier than ten (10) calendar days, and no later than thirty (30) calendar days, after the date that Dermavant provides the Funding Condition Satisfaction Notice to the Purchasers; provided, that failure by Dermavant to provide such Funding Condition Satisfaction Notice shall not be an excuse for the Funding not to occur if the Required Purchasers waive such condition in writing. For the avoidance of doubt, there shall be no Funding Date if the Funding Condition has not occurred (except to the extent that clause (b)(ii) thereof is waived in writing by the Required Purchasers in their sole discretion).

"GAAP" means generally accepted accounting principles in effect in the United States, as in effect on the date or for the period with respect to which such principles are applied.

"Governmental Authority" means the government of any nation or any political subdivision thereof or any multi-national, national, federal, state, local or foreign court or governmental agency, authority (including supranational authority), commission, instrumentality, regulatory body or central bank.

"Guidelines" means, together, guideline S-02.123 in relation to interbank loans of 22

September 1986 (*Merkblatt "Verrechnungssteuer auf Zinsen von Bankguthaben, deren Gläubiger Banken sind (Interbankguthaben)" vom 22. September 1986*), guideline S-02.130.1 in relation to money market instruments and book claims of April 1999 (*Merkblatt vom April 1999 betreffend Geldmarktpapiere und Buchforderungen inländischer Schuldner*), circular letter No. 34 of 26 July 2011 (1-034-V-2011) in relation to deposits (*Kreisschreiben Nr. 34 "Kundenguthaben" vom 26. Juli 2011*), circular letter No. 15 of 3 October 2017 (1-015-DVS-2017) in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss withholding tax and Swiss stamp taxes (*Kreisschreiben Nr. 15 "Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer und der Stempelabgaben" vom 3. Oktober 2017*), circular letter No. 46 of 24 July 2019 (1-046-VS-2019) in relation to syndicated credit facilities (*Kreisschreiben Nr. 46 betreffend steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen vom 24. Juli 2019*) and circular letter No. 47 of 25 July 2019 (1-047-V-2019) in relation to bonds (*Kreisschreiben Nr. 47 betreffend Obligationen vom 25. Juli 2019)*, in each case as issued, amended or replaced from time to time by the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time.

"IFRS" means international accounting standards, as in effect on the date or for the period with respect to which such standards are applied, as established by the International Financial Reporting Standards.

"Immaterial Subsidiary" means, at any time, any Subsidiary of Parent that (x) has, excluding its Subsidiaries, (i) total assets that are individually less than 3.75% of the consolidated total assets of Parent and its Subsidiaries in the aggregate and (ii) gross revenues that are individually less than 3.75% of the consolidated gross revenues of Parent and its Subsidiaries in the aggregate; provided, however, that if, at any time, the aggregate amount of the consolidated total assets or consolidated gross revenues attributable to all Subsidiaries of Parent that would otherwise be Immaterial Subsidiaries exceeds 7.5% in the aggregate of the consolidated total assets or consolidated gross revenues, respectively, of Parent and its Subsidiaries, only those Immaterial Subsidiaries with the smallest percentage of assets (not exceeding 7.5% in the aggregate of the consolidated total assets of Parent and its Subsidiaries) shall constitute Immaterial Subsidiaries.

"Indemnified Party" has the meaning set forth in Section 7.2(a).

"Indemnified Taxes" means any deductions, withholdings or Taxes (other than Excluded Taxes) in respect of which Dermavant is required to pay additional amounts pursuant to Section 5.6(a).

"Indemnifying Party" has the meaning set forth in Section 7.2(a).

"Intercreditor Agreements" means each of (i) the Senior Lender Intercreditor Agreement and (ii) that certain amended and restated parity intercreditor agreement dated as of ~~the Effective Date~~May 24, 2024, between the Collateral Agent and NovaQuest Co-Investment Fund VIII, L.P., each as amended, restated, supplemented or otherwise modified from time to time (or any

extension, replacement or refinancing thereof).

"Involuntary Bankruptcy" means a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (i) is for relief against Dermavant, Parent or Parent's other Subsidiaries (other than Immaterial Subsidiaries) in an involuntary case; (ii) appoints a Custodian of Dermavant, Parent or Parent's other Subsidiaries (other than Immaterial Subsidiaries) or for any substantial part of ~~its~~their property; or (iii) orders the winding up or liquidation of Dermavant, Parent or Parent's other Subsidiaries (other than Immaterial Subsidiaries); or any similar relief is granted under any non-U.S. ~~laws~~Bankruptcy Law and, in each case, the order or decree remains unstayed and in effect for 60 consecutive days.

"Judgment Currency" has the meaning set forth in Section 8.20(b)(i).

"Key Patents" means the Patents listed on Schedule 3 to the Disclosure Letter.

"Liabilities" means any and all indebtedness, liabilities and obligations, whether accrued, fixed or contingent, mature or inchoate, known or unknown, reflected on a balance sheet or otherwise, including those arising under any law or judgment of any court of any kind or any award of any arbitrator of any kind, and those arising under any contract, commitment or undertaking.

"License Agreement" means (i) any license of Product Rights granted by Dermavant or its Affiliates to a Third Party, (ii) any sublicense of Product Rights granted under a license described in clause (i) above or (iii) any ~~another~~other arrangement that transfers, assigns or otherwise conveys or grants any access or rights in or to any Product Right (collectively, "Out-Licenses"); provided, however, that the following shall not be deemed to be a "License Agreement": (a) any agreement that does not include any rights to Develop or Commercialize the Product in all or part of the United States; (b) any licenses solely for research purposes; (c) any licenses to Distributors solely in their capacities as such; ~~or~~ (d) any agreements granting non-exclusive rights to Product IP Rights entered into in the ordinary course of business for the benefit of Dermavant or any of its Controlling Affiliates, including manufacturing agreements, material transfer agreements and consulting agreements, that, in all cases in this clause (d), do not grant any rights to market, distribute or sell the Product [***].

"Licensee" means a Third Party that is granted any Product Rights under a License Agreement.

"Lien" means any mortgage, lien (statutory or otherwise), pledge, deed of trust, hypothecation, title defect, charge, security interest, encumbrance, assignment, deposit arrangement, interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

"Losses" has the meaning set forth in Section 7.1(a).

"Marketing Approval" means, for the Product, any and all approvals (including

supplements, amendments, pre-approvals and post-approvals), licenses, registrations or authorizations of any national, supra-national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity, that are necessary for the manufacture, distribution, use, sale and marketing of the Product.

"Material Adverse Effect" means a material adverse effect, in any respect, on (i) the legality, validity or enforceability of any Transaction Document, (ii) the ability of Dermavant to perform any of its material obligations under any Transaction Document (including Dermavant being unable or failing to make payment of the Revenue Interests in accordance with the terms of this Agreement) or to consummate the transactions contemplated hereunder or thereunder, (iii) the rights or remedies of a Purchaser under any Transaction Document or (iv) the Product, the Product IP Rights or the Development or Commercialization of the Product.

"Material Contract" means (i) any material agreement to which Dermavant or any other Responsible Party (other than a Licensee) is a party (x) related to the Development or Commercialization of the Product within the United States, (y) that creates a Lien on, affects or otherwise relates to the Product, the Revenue Interests or any of the Product IP Rights or other Product Assets or (z) that is a License Agreement or (ii) any other agreement to which Dermavant or any other Responsible Party (other than a Licensee) is a party for which breach, non-performance, termination, cancellation or failure to renew by a party thereto would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; provided, however, that, in the case of each of clause (i) above and clause (ii) above, Out-Licenses that are not License Agreements shall not be deemed to be Material Contracts.

"Maximum Amount" means, with respect to each Purchaser, an amount equal to the product of [***] multiplied by the Purchase Price paid by such Purchaser.

"Net Sales" means [***].

"Non-Bank Rules" means, together, the 10 Non-Bank Rule and the 20 Non-Bank Rule.

"Non-Compliant Purchaser" has the meaning set forth in Section 2.8(b).

"NovaQuest Funding Agreement" means that certain funding agreement dated as of July 10, 2018 between Dermavant and NovaQuest Co-Investment Fund VIII, L.P., as amended, restated, supplemented or otherwise modified from time to time (or any extension, replacement or refinancing thereof).

"Other Connection Taxes" means, with respect to any Purchaser, Taxes imposed as a result of a present or former connection between such Purchaser and the jurisdiction imposing such Tax (other than connections arising solely from such Purchaser having (i) executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any of the Transaction Documents, the Revenue Interests or the Senior ~~Credit Agreement~~Secured Debt (or the loans thereunder) or (ii) sold or assigned an interest in any of the Transaction Documents, the Revenue Interests or the Senior ~~Credit Agreement~~Secured Debt (or the loans thereunder)).

"Other Taxes" means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security

interest under, or otherwise with respect to, the Revenue Interests or any Transaction Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made at the request of Dermavant).

"Out-Licenses" has the meaning set forth in the definition of License Agreement.

"Paragraph IV Certification" means the certification submitted by a generic application alleging that a Patent Covering the Product is invalid, unenforceable, or not infringed.

"Parent" ~~means Dermavant Sciences Ltd., an exempted company organized under the~~ has the meaning set forth in the preamble hereto.

[***]

"Parties" has the meaning set forth in the preamble hereto.

"Party" has the meaning set forth in the preamble hereto.

"Patents" means all patents (including all reissues, extensions, substitutions, confirmations, re-registrations, re-examinations, revalidations, supplementary protection certificates and patents of addition) and patent applications (including all provisional applications, requests for continuation, continuations, continuations-in-part and divisionals) and all equivalents of the foregoing in any country in the world.

"Percentage Interest" of a Purchaser means the quotient, expressed as a percentage, of (i) the amount set forth opposite such Purchaser's name on Exhibit A attached hereto paid on the Funding Date divided by (ii) the Purchase Price paid on the Funding Date.

[***]

"Permitted Disposition" means: (i) a Disposition of inventory (as defined in the Uniform Commercial Code) or goods held for sale in the ordinary course of business; (ii) a Disposition of surplus, obsolete, damaged or worn-out assets, property or equipment in the ordinary course of business (including the abandonment or other Disposition of Product IP Rights, whether in whole and on a country-by-country basis, that is, in the reasonable judgment of Dermavant, no longer economically practicable or commercially reasonable to maintain or useful in any material respect in the conduct of the business of Dermavant); (iii) a Disposition of equipment as part of a trade-in for replacement equipment; (iv) any License Agreement to the extent permitted by Section 5.14 and any Out-License that is not a License Agreement; (v) any surrender or waiver of contract rights or the settlement of, release of, recovery on or surrender of contract, tort or other claims of any kind (except where such surrender, waiver, settlement, release or recovery could reasonably be expected to have a Material Adverse Effect); (vi) the incurrence of any Permitted Liens; (vii) Dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements; ~~and~~ (viii) Disposition of Regulatory Approvals or Marketing Approvals for any jurisdiction to a Controlling Affiliate or, in the case of a Licensee, to such Licensee or an affiliate thereof, in each case organized in such jurisdiction for the purposes of Commercialization of the Product in such jurisdiction [***].

"Permitted Liens" means: (i) Liens securing the obligations of Dermavant under the Deal Documents; (ii) Liens securing Permitted Secured Debt or obligations under the NovaQuest Funding Agreement; (iii) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet overdue or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against Dermavant

with respect to which Dermavant shall then be proceeding with an appeal or other proceedings for review; (iv) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for nonpayment or that are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of Dermavant in accordance with GAAP; (v) Liens upon specific items of inventory or other goods and proceeds of Dermavant securing Dermavant's obligation in respect of banker's acceptances issued or created for the account of Dermavant to facilitate the purchase, shipment or storage of such inventory or other goods; (vi) License Agreements to the extent permitted by this Agreement and Out-Licenses that are not License Agreements; (vii) Liens on goods purchased in the ordinary course of business, the purchase price of which is financed by a documentary letter of credit issued for the account of Dermavant or any of its Controlling Affiliates; (viii) judgment and attachment Liens not giving rise to an Event of Default; (ix) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of inventory entered into in the ordinary course of business; (x) Liens arising from Uniform Commercial Code financing statement filings that name Dermavant as debtor regarding operating leases entered into by Dermavant in the ordinary course of business; (xi) Liens on assets or property at the time Dermavant acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into Dermavant; provided, however, that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition; provided, further, however, that such Liens may not extend to any other Product Assets owned by Dermavant; (xii) Liens on the identifiable proceeds of any property or asset subject to a Lien otherwise constituting a Permitted Lien; (xiii) Liens to secure the financing of insurance premiums for insurance policies and the proceeds thereof; and (xiv) Liens existing on the Effective Date and set forth on Schedule 5.9 to the Disclosure Letter.

"Permitted Secured Debt" means: (i) Senior Secured Debt ~~in a principal amount not to exceed $40,000,000 outstanding at any one time~~; (ii) Indebtedness consisting of the financing of insurance premiums secured solely by the applicable insurance policies and the proceeds thereof; (iii) equipment financing and capital leases; provided, that such indebtedness is secured solely by the equipment financed and the proceeds thereof; and (iv) other secured indebtedness incurred in the ordinary course of business not to exceed $1,250,000 at any one time outstanding, in each case subject to customary terms.

"Person" means any natural person, corporation, trust, joint venture, association, unincorporated organization, cooperative, company, partnership, limited liability company, Governmental Authority or other entity recognized by law.

"Pre-Funding Change of Control" means a Change of Control ~~(without giving effect to the proviso in the definition thereof)~~ that occurs prior to the Funding Date.

"Pre-Funding Change of Control Option" has the meaning set forth in Section 2.7(b). "Pre-Funding Change of Control Option Closing Date" has the meaning set forth in Section 2.7(b).

"Pre-Funding Change of Control Option Price" means [***].

"Prepayment Amount" has the meaning set forth in Section 5.19.

"Product" means that certain topical, non-steroidal and non-immunosuppressant pharmaceutical product for the treatment of dermatologic indications, known as Tapinarof (and as may be marketed under any other name) and more particularly described in Schedule 1 attached hereto, and including any and all future iterations, improvements or modifications of such Product made, developed, licensed or sublicensed by Dermavant or any other Responsible Party for the treatment of dermatologic indications.

"Product Assets" means (i) all assets primarily related to the Product and that are owned by, licensed to or otherwise controlled by Dermavant or any other Controlling Affiliate, including Product IP Rights, any contract pursuant to which Dermavant or any other Controlling Affiliate has been or will be granted, assigned or otherwise conveyed any right, title or interest in or to any Product IP Rights, regulatory filings, product packaging, product inserts, product labels, regulatory approval applications, regulatory approvals, regulatory exclusivity, copies of correspondence with regulatory authorities, copies of pre-clinical and clinical data, copies of pharmacology and biology data, Material Contracts and inventory, and (ii) any other assets that are owned by, licensed to or otherwise controlled by Dermavant or any other Controlling Affiliate that are reasonably necessary for the Development, Commercialization, formulation or use of the Product, the absence of which would be reasonably expected to cause, individually or in the aggregate, a Material Adverse Effect; provided, however, that, in the case of each of clause

(i) above and clause (ii) above, any License Agreement or Out-License that does not include any rights to Develop or Commercialize the Product in all or part of the United States shall not be deemed a Product Asset. In no event shall the Product Assets include deposit or securities accounts, accounts receivable, chattel paper, negotiable instruments, Capital Securities or any other security.

"Product IP Rights" means all intellectual property relating to the Product owned or licensed by Dermavant or any other Responsible Party, including (i) Product Know-How, (ii) all Patents Covering the Product (including its composition, formulation, delivery, manufacture or use) and (iii) all works protectable under copyright laws, trademarks, service marks and trade names that relate to the Product.

"Product Know-How" means, as related to the Product, all technical, scientific and other know-how and information, trade secrets, knowledge, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatus, specifications, data, results and other material, including pre-clinical and clinical trial results, manufacturing procedures, test procedures and purification and isolation techniques (whether or not confidential, proprietary, patented or patentable), in written, electronic or any other form, now known or hereafter developed, and all other discoveries, developments, information and

inventions (whether or not confidential, proprietary, patented or patentable), and tangible embodiments of any of the foregoing, including any discoveries, developments, information or inventions relating to the stability, safety, efficacy, operation, manufacture, ingredients, preparation, indications, presentation, formulation, means of delivery, or dosage of any pharmaceutical composition or preparation.

"Product Rights" means licenses or rights to the Product or Product IP Rights, for or relating to Developing, Commercializing or otherwise exploiting the Product.

"Purchase Price" has the meaning set forth in Section 2.2, reflecting the funding amounts provided by the Purchasers.

"Purchaser" has the meaning set forth in the preamble hereto. "Purchaser Indemnitees" has the meaning set forth in Section 7.1(a).

"Purchasers" has the meaning set forth in the preamble hereto.

"Qualified IPO" means (i) the consummation of an underwritten initial public offering pursuant to an effective registration statement under the Securities Act for the Capital Securities of Parent and pursuant to which such Capital Securities will be listed on a United States national exchange or an international exchange, (ii) an initial direct listing of such Capital Securities on any such exchange by Parent (whether or not Parent issues and sells such Capital Securities in connection with such direct listing) or (iii) the merger, acquisition or similar transaction involving Parent and another Person (including a special purpose acquisition company, but excluding any Affiliate of Parent) after which (a) Parent's Capital Securities are listed on such exchange, (b) a successor to Parent's Capital Securities are listed on such exchange or (c) the Capital Securities of the surviving parent company of Parent after the consummation of such transaction are listed on such exchange.

"Qualified Licensee" means a Qualified Party or any controlled Affiliate of a Qualified Party.

"Qualified Party" means: [***].

"Qualifying Bank" means (i) any bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (*Bundesgesetz über die Banken und Sparkassen*) or (ii) a Person that effectively conducts banking activities with its own infrastructure and staff as its principal purpose and that has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation or, if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case within the meaning of the Guidelines.

"Quarterly Deadline" has the meaning set forth in Section 5.1(a).

"Quarterly Report" means, with respect to the relevant Fiscal Quarter, a report detailing (i) aggregate gross sales of the Product by each of Dermavant, its Affiliates and any Licensee in such Fiscal Quarter, (ii) Net Sales for such Fiscal Quarter, including the adjustments and other reconciliations used to arrive at Net Sales invoiced for such Fiscal Quarter and the currency exchange rates used (which shall be rates of exchange determined in a manner consistent with Dermavant's method for calculating rates of exchange in the preparation of Dermavant's annual financial statements in accordance with GAAP or IFRS, as the case may be), (iii) the corresponding Quarterly Revenue Amount payable to the Purchasers with respect to such Fiscal Quarter, (iv) the amount of any Taxes withheld from the payment of such Quarterly Revenue Amount to the Purchasers, (v) the aggregate amount of payments previously made by Dermavant to the Purchasers in respect of the Revenue Interests and the aggregate amount of any Taxes withheld from such payments and (vi) the number of units or vials of Product sold in the United States during such Fiscal Quarter; provided, that for any such information to be provided by a Licensee for which Dermavant receives such information fewer than 10 Business Days prior to the Quarterly Deadline, such information may instead be included in the following Fiscal Quarter's Quarterly Report.

"Quarterly Revenue Amount" means, with respect to a given Fiscal Quarter, an amount, determined as of the earlier of (i) the last day of such Fiscal Quarter and (ii) the Termination Date, equal to the product of (a) the Applicable Percentage for such Fiscal Quarter multiplied by (b) the Net Sales invoiced for such Fiscal Quarter [***]. For the avoidance of doubt, if the Termination Date occurs prior to the end of any given Fiscal Quarter, then such Quarterly Revenue Amount shall be determined for such Fiscal Quarter in a manner consistent with this definition through and including the Termination Date.

"Receiving Party" has the meaning set forth in Section 4.1.

"Recordkeeping Period" has the meaning set forth in Section 5.4(a).

"Regulatory Approvals" means, collectively, all regulatory approvals, registrations, certificates, authorizations, permits and supplements thereto, as well as associated materials (including the product dossier), pursuant to which the Product may be marketed, sold and distributed.

"Regulatory Authority" means any Governmental Authority that is responsible for issuing approvals, licenses, registrations or authorizations necessary for the manufacture, import, sale and use of the Product for human therapeutic use in any applicable regulatory jurisdiction, including the FDA.

"Required Purchasers" means Purchasers whose Percentage Interests taken together equal at least 66-2/3%; provided, however, that in the event that a Bankruptcy Event of Default has occurred, "Required Purchasers" means Purchasers whose Percentage Interests taken together equal at least 50.1%.

"Responsible Party" means (i) Dermavant, (ii) each Controlling Affiliate, (iii) each other Affiliate of Dermavant materially engaged in the Development or Commercialization of the Product within the United States and (iv) each Licensee to the extent that such Licensee has rights or obligations under the terms of the applicable License Agreement to Develop or Commercialize the Product within the United States.

"Revenue Interests" means, with respect to each Purchaser, all right, title and interest in, to and under an amount equal to the sum of each Quarterly Revenue Amount multiplied by such Purchaser's Percentage Interest, up to such Purchaser's Maximum Amount; provided, that, in the event that a Purchaser receives its portion of the Event of Default Fee in accordance with Section 2.7(a), then such portion of the Event of Default Fee shall count towards such Purchaser's Maximum Amount.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Agency" means the U.S. Securities and Exchange Commission and any other Governmental Authority regulating the issuance, sale or trading of securities.

"Security Agreements" means the security agreements, mortgages, collateral assignments and related agreements, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time, creating, perfecting or otherwise evidencing (or purporting to create, evidence or otherwise perfect) the security interests or other Liens granted by Dermavant or any Controlling Affiliate in favor of the Collateral Agent in the Product Assets as contemplated by this Agreement, including the Collateral Agreement (and all documentation required pursuant thereto, including any joinder agreement for any Controlling Affiliate), the Collateral Assignment and the Swiss Security Document.

"Senior Credit Agreement" means that certain credit agreement dated as of the Effective Date among Dermavant, certain Affiliates of Dermavant, XYQ Luxco S.à r.l., in its capacity as a lender thereunder, and the Senior Lender Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time (or any extension, replacement or refinancing thereof).

"Senior Lender Collateral Agent" means U.S. Bank Trust Company, National Association, as collateral agent on behalf of the lender under the Senior Credit Agreement (together with any successor or replacement collateral agent and any agent or other representative for any other Senior Secured Debt that replaces or refinances all or any portion of the indebtedness under the Senior Credit Agreement).

"Senior Lender Intercreditor Agreement" means that certain senior lender intercreditor agreement dated as of the Effective Date among the Collateral Agent, XYQ Luxco S.à r.l., in its capacity as a lender under the Senior Credit Agreement, NovaQuest Co-Investment Fund VIII, L.P., as a lender under the NovaQuest Funding Agreement, and the Senior Lender Collateral Agent, as amended, restated, supplemented or otherwise modified from time to time (including any replacement thereof in connection with any refinancing or replacement of the Senior Credit Agreement or the NovaQuest Funding Agreement).

"Senior Secured Debt" means (i) indebtedness (including indebtedness outstanding under the Senior Credit Agreement) in an aggregate principal amount not to exceed $40,000,000 outstanding at any one time and (ii) ~~any other secured~~ indebtedness to refinance, in whole or in part, ~~the~~such indebtedness ~~under the Senior Credit Agreement~~ in accordance with the terms of the Senior Lender Intercreditor Agreement~~,~~ (or other intercreditor arrangement described below) that, taken together with outstanding indebtedness described in clause (i), is in an aggregate principal amount not to exceed $40,000,000 outstanding at any one time; provided that, in each case, the lenders thereof (or the agent or representative for such lenders) have become party, as senior creditors, to the Senior Lender Intercreditor Agreement or other intercreditor arrangement reasonably satisfactory to the Purchasers (it being agreed that such intercreditor arrangement shall be satisfactory to the Purchasers if it provides for substantially similar intercreditor terms as the Senior Lender Intercreditor Agreement).

"Subsidiary" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture, limited liability company or similar entity of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity. For purposes of clarity, a Subsidiary of a Person shall not include any Person that is under common control with the first Person solely by virtue of having directors, managers or trustees in common and shall not include any

Person that is solely under common control with the first Person (i.e., a sister company with a common parent).

"Swiss Federal Tax Administration" means the tax authorities referred to in article 34 of the Swiss Withholding Tax Act.

"Swiss Security Document" means that certain IP Pledge Agreement between Dermavant as pledgor and the Collateral Agent as pledgee, regarding the pledgor's intellectual property rights registered in Switzerland.

"Swiss Seller Party" means Dermavant or any other party to this Agreement (other than any Purchaser) that is incorporated in Switzerland or, if different, is considered to be tax resident in Switzerland for Swiss Withholding Tax purposes.

"Swiss Withholding Tax" means taxes imposed under the Swiss Withholding Tax Act.

"Swiss Withholding Tax Act" means the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*).

"Tax" means all federal, provincial, territorial, state, municipal, local, foreign or other taxes, imposts, rates, levies, deductions, tariffs, assessments and other charges in the nature of a tax, including all income, excise, franchise, gains, capital, corporation, business, real property, goods and services, transfer, value added, gross receipts, windfall profits, severance, ad valorem, personal property, production, sales, use, license, stamp, documentary stamp, mortgage recording, employment, payroll, social security, unemployment, disability, estimated or withholding taxes, and all customs and import duties, together with all interest, penalties and additions thereto imposed with respect to such amounts.

"Tax Ruling" means the confirmation of the Swiss Federal Tax Administration as to how many lenders a Purchaser is counted for the purposes of the Non-Bank Rules.

"Term" has the meaning set forth in Section 6.1.

"Term Sheet" means the document entitled "Proposed Terms for Revenue Interest Financing for Dermavant Sciences GmbH" dated February 5, 2021 among Dermavant, Dermavant Sciences Ltd., XYQ Luxco S.à r.l., NovaQuest Capital Management, LLC and Marathon Asset Management, L.P.

"Termination Date" has the meaning set forth in Section 6.1.

"Third Party" means any Person, including a Governmental Authority, other than Dermavant or any of its Affiliates.

"Third Party Claim" has the meaning set forth in Section 7.1(a).

"Transaction Documents" means this Agreement, the Security Agreements, the Intercreditor Agreements, the Bill of Sale and any other documents, instruments or financing statements required to be delivered hereunder or thereunder or in connection herewith or

therewith.

"Ultimate Parent" means Roivant Sciences Ltd., an exempted limited company organized under the laws of Bermuda.

[***]

"Ultimate Parent Spinout" means the distribution by Ultimate Parent to its shareholders of the Capital Securities of Parent.

"United States" or "U.S." means the United States of America, including its 50 states, the District of Columbia and its other territories and possessions.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"Voluntary Bankruptcy" means that Dermavant, Parent or any of Parent's Subsidiaries, pursuant to or within the meaning of any Bankruptcy Law: (i) commences a voluntary case under any Bankruptcy Law; (ii) consents to the entry of an order for relief against it in an involuntary case under any Bankruptcy Law; (iii) consents to the appointment of a Custodian of it or for any substantial part of its property; or (iv) makes a general assignment for the benefit of its creditors or takes any comparable action under any non-U.S. ~~laws relating to insolvency~~Bankruptcy Law.

"Voting Securities" means, with respect to any Person, Capital Securities of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Withholding Payment" has the meaning set forth in Section 5.6(a).

ARTICLE II

PURCHASE AND SALE; PURCHASE PRICE; NO ASSUMED OBLIGATIONS; DELIVERABLES; PAYMENTS IN RESPECT OF REVENUE INTERESTS; EVENT OF DEFAULT AND PRE-FUNDING CHANGE OF CONTROL

2.1 Purchase and Sale.

(a) Subject to the terms and conditions of this Agreement, on the Funding Date, Dermavant shall irrevocably sell, contribute, assign, transfer, convey and grant to the Purchasers, and the Purchasers, severally but not jointly, shall purchase, acquire and accept from Dermavant, in accordance with their respective Percentage Interests, all of Dermavant's right, title and interest in, to and under the Revenue Interests, free and clear of any and all Liens, other than those Liens created in favor of the Purchasers (through the Collateral Agent or otherwise) by the Transaction Documents.

(b) Each of Dermavant and the Purchasers intends and agrees that the sale, contribution, assignment, transfer, conveyance and granting of the Revenue Interests under this Agreement on the Funding Date shall be a true, complete, absolute and irrevocable sale and assignment by Dermavant to the Purchasers of the Revenue Interests and that such sale and assignment shall provide the Purchasers, subject to the terms of the Transaction Documents, with the full benefits of ownership of the Revenue Interests. Following the Funding Date, Dermavant disclaims any beneficial ownership interest in the Revenue Interests. Dermavant irrevocably waives any right to contest or otherwise assert that this Agreement does not constitute a true, complete, absolute and irrevocable sale and assignment by Dermavant to the Purchasers of the Revenue Interests on the Funding Date under Applicable Law, which waiver shall be enforceable against Dermavant in any Voluntary Bankruptcy or Involuntary Bankruptcy, and Dermavant acknowledges and agrees that the Purchasers are relying on such waiver in entering into this Agreement. The sale, contribution, assignment, transfer, conveyance and granting of the Revenue Interests on the Funding Date shall be reflected on Dermavant's financial statements and other records as a sale of assets to the Purchasers (except to the extent GAAP or IFRS, as the case may be, require otherwise with respect to Dermavant's financial statements).

2.2 Purchase Price. In full consideration for the sale, contribution, assignment, transfer, conveyance and granting of the Revenue Interests on the Funding Date, and subject to the terms and conditions set forth herein, each of the Purchasers shall severally but not jointly pay (or cause to be paid) to Dermavant, or Dermavant's designee, on the Funding Date, the sum set forth opposite such Purchaser's name on Exhibit A attached hereto, in immediately available funds by wire transfer to the account specified in the Funding Condition Satisfaction Notice (the aggregate of such amounts being the "Purchase Price"). Any funds released or caused to be released by a Purchaser on the Funding Date that are received within one Business Day following the Funding Date shall be deemed paid on the Funding Date regardless of whether Dermavant actually receives such funds on the Funding Date.

2.3 No Assumed Obligations. Notwithstanding any provision in any Transaction Document to the contrary, the Purchasers are not assuming any liability or obligation of Dermavant or any other Person of whatever nature, whether presently in existence or arising or asserted hereafter, whether under any Transaction Document or otherwise. All such liabilities and obligations shall be retained by and remain liabilities and obligations of Dermavant or such other Persons, and Dermavant or such other Persons shall remain liable with respect to all liabilities and obligations created in connection with the Revenue Interests and shall continue to perform such obligations, if any.

2.4 Effective Date Deliverables. On the Effective Date:

(a) Dermavant shall deliver or cause to be delivered to the Purchasers and the Collateral Agent (i) an opinion of Cooley LLP, special U.S. counsel to Dermavant, and (ii) an opinion of VISCHER AG, special Swiss counsel to Dermavant, in each case in form and substance satisfactory to the Purchasers and their counsel;

(b) Dermavant shall deliver or cause to be delivered to the Purchasers a certificate of an executive officer (or equivalent) of Dermavant: (i) attaching copies, certified by such officer (or equivalent) as true and complete, of (x) a certified excerpt from the commercial register, the

certified up-to-date articles of association and, if applicable, the organizational regulations of Dermavant and (y) resolutions of the managing directors of Dermavant authorizing and approving the execution and delivery of and performance of obligations by Dermavant under the Deal Documents and the transactions contemplated herein and therein; and (ii) setting forth the incumbency of the officer or officers (or equivalent) of Dermavant who have executed and delivered the Deal Documents, including therein a signature specimen of each such officer or officers (or equivalent);

(c) Dermavant shall deliver or cause to be delivered to the Purchasers the Disclosure Letter; and

(d) each of the Security Agreements and the Intercreditor Agreements shall be duly executed and delivered by the parties thereto.

2.5 Funding Date Deliverables. On the Funding Date:

(a) each of the Parties shall deliver or cause to be delivered to the other Parties the Bill of Sale duly executed by such Party;

(b) Dermavant shall deliver or cause to be delivered to the Purchasers a certificate of an executive officer (or equivalent) of Dermavant, certifying, as of the Funding Date, (i) that the representations and warranties of Dermavant set forth in the Deal Documents are true and correct in all material respects (except to the extent that such representations and warranties relate solely to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except with respect to representations and warranties qualified by the term "material" or Material Adverse Effect, which representations and warranties shall be true and correct in all respects), (ii) to the effect of the certificate described in Section 2.4(b) and (iii) that no Default or Event of Default has occurred and is continuing;

(c) each of the Purchasers shall severally but not jointly pay (or cause to be paid) to Dermavant, or Dermavant's designee, the portion of the Purchase Price set forth opposite such Purchaser's name on Exhibit A attached hereto, in accordance with Section 2.2; and

(d) each of the Purchasers shall have received (on or prior to the Funding Date) a favorable ruling from the Swiss Federal Tax Administration with respect to compliance with the Non-Bank Rules.

The Purchasers, upon the election of the Required Purchasers, may waive any condition in this Section 2.5, other than the occurrence of clause (b)(i) of the definition of Funding Condition, and the funding of the Purchase Price to Dermavant will otherwise occur pursuant to the terms herein as long as the Purchasers satisfy the condition set forth in Section 2.5(c).

2.6 Payments in Respect of Revenue Interests. In connection with the sale, contribution, assignment, transfer, conveyance and granting of the Revenue Interests on the Funding Date, the Purchasers shall be entitled to receive (in accordance with their Percentage Interests) the Revenue Interests in respect of the Net Sales, as and when such payments are due under Section 5.1. Any payments to be made by Dermavant or any other Responsible Party under this Agreement, including the payment of the Quarterly Revenue Amounts pursuant to Section

5.1, shall be made by wire transfer of immediately available funds to each of the Purchasers in accordance with their respective Percentage Interests to the bank accounts specified in Schedule 2 attached hereto (as may be amended pursuant to Section 8.14). For Swiss tax purposes, payments in respect of Revenue Interests shall be deemed to (a) reflect the interest component until the difference between the Maximum Amount and the Purchase Price has been paid and (b) to the extent in excess of such difference, as the deemed repayment of the Purchase Price. Upon payment of the Maximum Amount for each Purchaser, all Revenue Interests due to such Purchaser, including any deemed repayment of such Purchaser's portion of the Purchase Price, upon termination of this Agreement shall be deemed to be paid in full.

2.7 Event of Default and Pre-Funding Change of Control.

(a) Dermavant shall notify the Purchasers and the Collateral Agent in writing as soon as possible and in any event within two Business Days following the occurrence of any Default or Event of Default during the Term, identifying the nature of such Default or Event of Default and whether or not such Default or Event of Default is in respect of, or is, a Bankruptcy Event of Default. If an Event of Default occurs after the Funding Date, the Event of Default Fee shall automatically (without any action or notice by any of the Purchasers) be due and payable on the Event of Default Closing Date, the payment of which shall be made by wire transfer of immediately available funds to the bank accounts specified in Schedule 2 attached hereto (as may be amended pursuant to Section 8.14). The Event of Default Fee shall be fully earned on the Effective Date. Payment of the Event of Default Fee shall occur (i) in respect of a Bankruptcy Event of Default, immediately upon the occurrence of such Bankruptcy Event of Default, and (ii) in respect of any other Event of Default, on a Business Day specified in writing by Dermavant to the Purchasers, which date shall be within 15 Business Days, but no sooner than 10 Business Days, from the date that the notice described in the first sentence of this Section 2.7(a) is delivered to the Purchasers or, if not so delivered as required pursuant to this Section 2.7(a), from the date that the notice described in the first sentence of this Section 2.7(a) was required to be delivered to the Purchasers (the date of such payment pursuant to clause (i) above or clause (ii) above being referred to herein as the "Event of Default Closing Date").

(b) Dermavant shall notify the Purchasers in writing at least ten Business Days prior to the occurrence of any Pre-Funding Change of Control during the Term. If a Pre-Funding Change of Control occurs during the Term, Dermavant shall have the right, but not the obligation (the "Pre-Funding Change of Control Option"), to terminate this Agreement by paying the Pre-Funding Change of Control Option Price on the Pre-Funding Change of Control Option Closing Date to all the Purchasers (in accordance with their Percentage Interests) in cash, the payment of which shall be made by wire transfer of immediately available funds to the bank accounts specified in Schedule 2 attached hereto (as may be amended pursuant to Section 8.14); provided, that no Purchaser that is a Non-Compliant Purchaser at the time of Dermavant's exercise of the Pre-Funding Change of Control Option shall be entitled to receive, and Dermavant shall not be required to pay, such Non-Compliant Purchaser's Percentage Interest of the Pre-Funding Change of Control Option Price. If Dermavant exercises the Pre-Funding Change of Control Option, Dermavant shall deliver written notice to the Purchasers specifying a Business Day within 10 Business Days from such notice date (such specified Business Day being referred to herein as the "Pre-Funding Change of Control Option Closing Date"), which notice must be given within 60 days following the date that notice is provided pursuant to the first

sentence of this Section 2.7(b); provided, that such notice may, at Dermavant's discretion, be given subject to one or more conditions precedent, including completion of such Pre-Funding Change of Control.

(c) Dermavant agrees that the Event of Default Fee and the Pre-Funding Change of Control Option Price shall be presumed to be the liquidated damages sustained by each Purchaser (in the case of an Event of Default Fee in respect of a Bankruptcy Event of Default or in the case of the Pre-Funding Change of Control Option Price, as the result of the early termination of this Agreement), and Dermavant agrees that such presumption is reasonable under the circumstances currently existing. The Event of Default Fee and the Pre-Funding Change of Control Option Price shall also be payable in the event that this Agreement is satisfied or released by foreclosure (whether or not by power of judicial proceeding), deed in lieu of foreclosure or any other means. Dermavant expressly waives (to the fullest extent it may lawfully do so) the provisions of any present or future Applicable Law that prohibits or may prohibit the collection of the foregoing Event of Default Fee or Pre-Funding Change of Control Option Price in connection with any such event. Dermavant agrees (to the fullest extent that it may lawfully do so) that (i) each of the Event of Default Fee and the Pre-Funding Change of Control Option Price is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel, (ii) each of the Event of Default Fee and the Pre-Funding Change of Control Option Price shall be payable notwithstanding the then-prevailing market rates at the time payment is made, (iii) there has been a course of conduct between the Purchasers and Dermavant giving specific consideration in the transactions contemplated hereby for such agreement to pay the Event of Default Fee as a charge (and not interest) in the event of an Event of Default and the Pre-Funding Change of Control Option Price as a charge (and not interest) in the event of a Pre-Funding Change of Control and (iv) Dermavant shall be estopped from claiming differently than as agreed to in this Section 2.7(c). Dermavant expressly acknowledges that its agreement to pay each of the Event of Default Fee and the Pre-Funding Change of Control Option Price to the Purchasers as herein described is on the Effective Date and will continue to be a material inducement to the Purchasers to provide the Funding.

2.8 Swiss Federal Tax Administration Rulings.

(a) Each Purchaser shall notify Dermavant in writing as soon as possible and in any event within two Business Days following such Purchaser's receipt of a Tax Ruling.

(b) In the event any Purchaser does not receive a favorable ruling from the Swiss Federal Tax Administration with respect to its compliance with the Non-Bank Rules or if such Purchaser receives a Tax Ruling that would result in the Purchasers' non-compliance with respect to the Non-Bank Rules, then (i) such Purchaser (a "Non-Compliant Purchaser") shall work in good faith and use commercially reasonable efforts to resolve such non-favorable ruling or non-compliance with the Non-Bank Rules and obtain a favorable Tax Ruling within 60 Business Days of the notice of the original Tax Ruling and (ii) the other Purchasers and Dermavant shall cooperate with such Non-Compliant Purchaser in good faith and use commercially reasonable efforts to resolve such non-favorable ruling or non-compliance. If, after 60 Business Days, such Non-Compliant Purchaser is not able to obtain a Tax Ruling that would result in the Purchasers' compliance with respect to the Non-Bank Rules, Dermavant or such Non-Compliant Purchaser may terminate this Agreement with respect to the Non-Compliant

Purchaser (but not with respect to Dermavant and the other Purchasers), in which case Dermavant and the other Purchasers shall work in good faith to amend the dollar figures and percentages in this Agreement that were based upon a Purchase Price of $160,000,000 to reflect the corresponding dollar figures and percentages in respect of any lower resulting Purchase Price.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Dermavant's Representations and Warranties. Dermavant represents and warrants to each of the Purchasers and the Collateral Agent as of the Effective Date and as of the Funding Date as follows:

(a) Dermavant is a company duly organized and validly existing under the laws of Switzerland. Dermavant is duly qualified to transact business and is in good standing in every jurisdiction in which such qualification or good standing is required by Applicable Law for the business it is now conducting (except where the failure to be so qualified or in good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect).

(b) No consent, approval, license, order, authorization, registration, declaration or filing with, notice to, action or registration by or filing with any Governmental Authority or other Person is required by Dermavant in connection with the execution and delivery by Dermavant of the Deal Documents, the performance by Dermavant of its obligations under the Deal Documents or the consummation of any of the transactions contemplated by the Transaction Documents (including the sale, contribution, assignment, transfer, conveyance and granting of the Revenue Interests to the Purchasers), other than (i) Marketing Approval required with respect to the Product, (ii) customary filings needed to perfect the Purchasers' liens under the Security Agreements, (iii) such exemptions, notices, registrations, filings, declarations, consents, approvals and authorizations as shall have been taken, given, made or obtained and are in full force and effect as of the Effective Date and (iv) such filings required to be made after the Effective Date under applicable federal, state and foreign securities Applicable Laws.

(c) Dermavant has all necessary corporate power and authority to (i) carry on its business as it is presently carried on by Dermavant, (ii) enter into, execute and deliver the Deal Documents and (iii) perform all of the covenants, agreements and obligations to be performed by Dermavant hereunder and thereunder. Each of the Deal Documents has been duly authorized by Dermavant. Each of the Deal Documents has been (or, in the case of the Bill of Sale, will be on or prior to the Funding Date) duly executed and delivered by Dermavant and constitutes (or, in the case of the Bill of Sale, will constitute as of the Funding Date) Dermavant's legal, valid and binding obligation, enforceable against Dermavant in accordance with the terms of each respective Deal Document, subject to bankruptcy, insolvency, reorganization or similar Applicable Laws affecting the rights of creditors generally and equitable principles.

(d) The execution and delivery of the Deal Documents by Dermavant, the performance by Dermavant of its obligations hereunder and thereunder and the consummation of

the transactions contemplated by the Transaction Documents do not and will not (i) violate any provision of the organizational documents of Dermavant, (ii) conflict with or violate any Applicable Law that applies to Dermavant, any of its Controlling Affiliates or their respective assets or properties, (iii) violate, conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under or an event that would give rise to any right of notice, modification, acceleration, payment, cancellation or termination under or in any manner release any party thereto from any obligation under any contract to which Dermavant or any of its Controlling Affiliates is a party or by which any of their respective properties or assets are bound (including the NovaQuest Funding Agreement) or (iv) except as provided in any of the Transaction Documents, result in the creation or imposition of any Lien on any part of the Revenue Interests, the Product Assets or the other properties or assets of Dermavant, except, in the case of each of clause (ii) above, clause (iii) above or clause (iv) above, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) Except as set forth in Part 2 to Schedule 3.1(e) to the Disclosure Letter (which Part 2 to Schedule 3.1(e) shall be updated by Dermavant as of the Funding Date) and except for Permitted Dispositions after the Effective Date, Dermavant owns, licenses or controls all right, title and interest in and to (i) the Product and the Product Assets, (ii) all Patents that Cover the Product, all of which, as of the Effective Date, are listed in Part 1 to Schedule 3.1(e) to the Disclosure Letter, which Part 1 to Schedule 3.1(e) shall be updated by Dermavant as of the Funding Date, and (iii) to the knowledge of Dermavant, all material data, trade secrets, Product IP Rights, Regulatory Approvals and other intellectual property rights used by Dermavant in the Development of the Product, in each case free and clear of all Liens (other than Permitted Liens). Part 1 to Schedule 3.1(e) to the Disclosure Letter specifies as to each listed Patent (x) the respective patent or patent application numbers, (y) any Person other than Dermavant owning or having an interest in such Patent, including the nature of such interest, and (z) the scheduled expiration date or anticipated scheduled expiration date of any such issued Patent or of any Patent issuing from any such pending patent application once issued. All of the Key Patents are in full force and effect and have not lapsed, expired or otherwise terminated. To the knowledge of Dermavant, each claim that has been issued or granted by a governmental patent office included in the Key Patents is valid and enforceable. Except as set forth in Part 3 to Schedule 3.1(e) to the Disclosure Letter, as of the Effective Date, there are no licensees of any of the Patents that Cover the Product or any other Licensees or License Agreements. Except as set forth in Part 3 to Schedule 3.1(e) to the Disclosure Letter and except for Permitted Dispositions after the Effective Date, Dermavant has not sold, contributed, assigned, transferred, conveyed, granted, pledged or licensed any rights to any of the Patents that Cover the Product to any other Person. Part 3 to Schedule 3.1(e) to the Disclosure Letter shall be updated by Dermavant as of the Funding Date solely with respect to any relevant non-Permitted Dispositions that have been approved by the Purchasers. None of Dermavant or any of its Controlling Affiliates has received a written notice that any other Person that is not obligated to assign his, her or its interests to Dermavant alleges any ownership interest in any such Patent. There are no unpaid maintenance or renewal fees payable by Dermavant or any of its Controlling Affiliates to any Governmental Authority that currently are overdue for any of such Patents. No Key Patent has lapsed or been abandoned, cancelled or expired. Subsequent to the issuance of the Key Patents, none of Dermavant or any other owner of any Key Patent has filed any disclaimer (other than a terminal disclaimer) or made or permitted any other voluntary reduction in the scope of such Key Patent. There is no pending or, to the knowledge of Dermavant, threatened opposition, interference,

re-examination, reissue, post-grant review, inter partes review, derivation or other post-grant proceeding, injunction, claim, suit, action, citation, summon, subpoena, hearing, inquiry, investigation (by the International Trade Commission or otherwise), complaint, arbitration, mediation, demand, decree or other dispute, disagreement, proceeding or claim (1) challenging the legality, validity, enforceability or ownership of any of the Key Patents (other than standard patent prosecution of pending applications before patent offices), (2) by or with any Third Party against Dermavant or any of its Controlling Affiliates involving the Product or (3) to which any of the Key Patents or the Product is subject (other than standard patent prosecution of pending applications before patent offices). Except as set forth in Part 4 to Schedule 3.1(e) to the Disclosure Letter, which Part 4 to Schedule 3.1(e) shall be updated by Dermavant as of the Funding Date, there is no product or product candidate currently owned, licensed or under development by Dermavant or any of its Controlling Affiliates that is a branded topical product, other than the Product.

(f) Except for the Transaction Documents, there are no contracts, agreements or understandings (whether written or oral) to which Dermavant, any of its Controlling Affiliates or Ultimate Parent is party pursuant to which any Third Party has been granted any rights, entitlements or privileges to or in respect of the Revenue Interests, in whole or in part. The Revenue Interests to be sold, contributed, assigned, transferred, conveyed and granted to the Purchasers on the Funding Date have not been and shall not be pledged, sold, contributed, assigned, transferred, conveyed or granted by Dermavant, any of its Controlling Affiliates or Ultimate Parent to any other Person. Dermavant has full right to sell, contribute, assign, transfer, convey and grant the Revenue Interests to the Purchasers, free and clear of all Liens, other than Liens in favor of the Purchasers. Upon the sale, contribution, assignment, transfer, conveyance and granting by Dermavant of the Revenue Interests to the Purchasers, the Purchasers shall acquire good and marketable title to the Revenue Interests free and clear of all Liens, other than Liens in favor of the Purchasers, and shall be the exclusive owners of the Revenue Interests.

(g) There is no action, suit, claim, demand, citation, summons, subpoena, interference, reexamination, opposition, investigation or other proceeding (whether civil, criminal, administrative, regulatory or investigative), at law or in equity, in arbitration or before any Governmental Authority pending or, to the knowledge of Dermavant, threatened against Dermavant or any of its Controlling Affiliates that would (i) question or defeat the validity or enforceability of, or Dermavant's rights to, any Patent Covering the Product or Product IP Rights (other than standard patent prosecution of pending applications before patent offices), (ii) challenge or seek to prevent or delay the consummation of the transactions contemplated by the Transaction Documents or (iii) reasonably be expected to have, individually on in the aggregate, a Material Adverse Effect.

(h) To the knowledge of Dermavant, the making, use, sale, offer for sale, and import of the Product by Dermavant and any other Responsible Party authorized by Dermavant to do so does not, and, if the Product was being sold as of the Effective Date or the Funding Date, would not, as of the Effective Date or the Funding Date, as the case may be, infringe any issued patent claim of any Third Party or misappropriate or make any unauthorized use of any issued patent or intellectual property rights of any Third Party. To the knowledge of Dermavant, no Third Party is infringing, misappropriating or making any unauthorized use of a Patent Covering the Product or Product Know-How, and Dermavant has not received any written notice of any such

infringement or any misappropriation of unauthorized use of any Product IP Rights, other than as would not reasonably be expected to have a Material Adverse Effect. None of the Patents Covering the Product or Product IP Rights is subject to any outstanding decree, order, judgment or stipulation restricting in any manner the use or licensing thereof by Dermavant, other than as would not reasonably be expected to have a Material Adverse Effect. To the knowledge of Dermavant, there is no pending or threatened, and no event has occurred or circumstance exists that (with or without notice or lapse of time or both) could reasonably be expected to give rise to or serve as a basis for any, action, suit, proceeding, investigation or claim, and Dermavant has not received any written notice of the foregoing, that claims that the manufacture, use, marketing, sale, offer for sale, importation or distribution of the Product does or could infringe on any patent or other intellectual property rights of any other Person or constitute misappropriation of any other Person's trade secrets or other intellectual property rights; provided, that, in respect of such representation and warranty made on the Funding Date, none of the foregoing would reasonably be expected to have a Material Adverse Effect.

(i) All Material Contracts to which Dermavant or any of its Controlling Affiliates is a party as of the Effective Date are listed in Schedule 3.1(i) to the Disclosure Letter, which Schedule 3.1(i) shall be updated by Dermavant as of the Funding Date. All Material Contracts to which Dermavant or any of its Controlling Affiliates is a party are in full force and effect and are the legal, valid and binding obligations of Dermavant or such Controlling Affiliates, as the case may be, and, to the knowledge of Dermavant, the other parties thereto, enforceable against each such party thereto in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization or similar Applicable Laws affecting the rights of creditors generally and equitable principles, except in each case as would not reasonably be expected to have a Material Adverse Effect. Subject to any applicable confidentiality obligations, Dermavant has provided to the Purchasers complete copies of all Material Contracts to which Dermavant or any of its Controlling Affiliates is a party. Dermavant is in compliance with and has not materially breached, violated or defaulted under, or received written notice that it has materially breached, violated or defaulted under, any of the terms or conditions of any such Material Contract to which it is a party, except as would not reasonably be expected to have a Material Adverse Effect. Dermavant is not aware of any event that has occurred or circumstance or condition that exists that would or would reasonably be expected to constitute such a material breach, violation or default with the lapse of time or giving of notice or both. Other than Material Contracts disclosed to and provided to the Purchasers (subject to any applicable confidentiality obligations), there are no contracts, agreements, commitments or undertakings pursuant to which Dermavant in-licenses or otherwise has rights under any Patent or intellectual property rights of any Third Party that are material to the Development or Commercialization of the Product within the United States.

(j) Dermavant currently holds or has the right to acquire all applicable approvals and authorizations from Governmental Authorities necessary for Dermavant to conduct its business in the manner in which such business is being conducted with respect to the Product, including the Development and testing of the Product, and all such approvals and authorizations affecting Commercialization in the United States are in good standing and in full force and effect. None of Dermavant or any of its Controlling Affiliates have received any written notice or any other communication from any Governmental Authority regarding any actual or possible revocation, withdrawal, suspension, cancellation, termination or material modification of any such approvals

or authorizations affecting Commercialization in the United States. None of Dermavant or any of its Controlling Affiliates have knowingly made any untrue statement of a material fact or fraudulent statement to any Regulatory Authority or any other Governmental Authority, failed to disclose a material fact required to be disclosed to any Regulatory Authority or other Governmental Authority, or committed an act, made a statement or failed to make a statement that provides or would reasonably be expected to provide a basis for the FDA or other Governmental Authority to invoke the FDA's policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy of any other Governmental Authority affecting Commercialization in the United States. Dermavant is not and has never been, and, to the knowledge of Dermavant, none of the Controlling Affiliates have or have ever been, (i) debarred by a Governmental Authority, (ii) a party to a settlement, consent or similar agreement with a Governmental Authority regarding the Product or (iii) charged with, or convicted of, violating Applicable Law regarding the Product. The Product is being, and, to the knowledge of Dermavant, at all times has been, Developed, tested, labeled and stored in compliance in all material respects with, and Dermavant and its Controlling Affiliates and their respective agents are in material compliance with, all Applicable Laws, including with respect to investigational use, premarket clearance, good clinical practices, good laboratory practices, good manufacturing practices, labeling, advertising, record keeping, security and filing of reports (including reporting of adverse events). The Product has never been the subject of or subject to (as applicable) any recall, suspension, market withdrawal, seizure, warning letter, other written communication asserting lack of compliance with any Applicable Law in any material respect, or serious adverse event. None of Dermavant or any of its Controlling Affiliates has received from any Governmental Authority any Forms 483, notices of adverse findings or warning letters or other correspondence in which such Governmental Authority asserted that the operations of any of Dermavant or any of its Controlling Affiliates may not be in material compliance with Applicable Laws in connection with their respective activities relating to the Product. No clinical trial of the Product has been suspended, put on hold or terminated prior to completion as a result of any action by any Regulatory Authority or other Governmental Authority or voluntarily. To the knowledge of Dermavant, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for any of the foregoing events. Dermavant has, with respect to the Product and its Development, made available to the Purchasers true and complete copies of all material pre-clinical and clinical data, reports and analyses, all material correspondence with the FDA, all material interim analyses from ongoing trials, all material tables from recently completed clinical trials where no clinical study report is available, and any other information that is material to the Development or Commercialization of the Product within the United States. Dermavant has made available to the Purchasers true, correct and complete copies of all written reports or other written communications received from any Governmental Authority that would indicate that any Regulatory Authority (x) is not likely to approve the Product, (y) is likely to revise or revoke any current Regulatory Approval with respect to the Product or (z) is likely to pursue any material compliance actions against Dermavant or any of its Controlling Affiliates, in each case, that would affect Commercialization in the United States.

(k) As of the Effective Date, Dermavant does not own any Capital Securities. As of the Effective Date, Ultimate Parent directly owns a majority of the outstanding Capital Securities of Parent, and Parent indirectly owns all of the outstanding Capital Securities of Dermavant.

(l) Commencing on the Funding Date, Dermavant is in compliance with the Non-Bank Rules; provided, that Dermavant shall not be in breach of this representation if its number of creditors that are not Qualifying Banks in respect of either the 10 Non-Bank Rule or the 20 Non-Bank Rule is exceeded solely because any Purchaser has (i) made an incorrect declaration of its status as to whether or not it is a Qualifying Bank or as to how many lenders it counts under the Non-Bank Rules, (ii) failed to comply with its obligations under Section 8.7 or (iii) ceased to be a Qualifying Bank other than as a result of any change in Applicable Law after the date it became party to this Agreement. For the purpose of Dermavant's compliance with the 20 Non-Bank Rule under this Section 3.1(l), the number of Purchasers under this Agreement that are not Qualifying Banks shall be deemed to be ten (irrespective of whether or not there are, at any time, any such Purchasers).

(m) Upon consummation of the transactions contemplated by the Transaction Documents and the application of the proceeds therefrom, (i) the fair saleable value of Dermavant's assets will be greater than the sum of its debts, liabilities and other obligations, including contingent liabilities, (ii) the present fair saleable value of Dermavant's assets will be greater than the amount that would be required to pay its probable liabilities on its existing debts, liabilities and other obligations, including contingent liabilities, as they become absolute and matured, (iii) Dermavant will be able to realize upon its assets and pay its debts, liabilities and other obligations, including contingent obligations, as they mature, (iv) Dermavant will not be rendered insolvent (within the meaning of any Applicable Law or otherwise), will not have unreasonably small capital with which to engage in its business and will not be unable to pay its debts as they mature, (v) Dermavant has not incurred, will not incur and does not have any present plans or intentions to incur debts or other liabilities or obligations beyond its ability to pay such debts or other liabilities or obligations as they become absolute and matured and (vi) Dermavant will not have become subject to any Voluntary Bankruptcy or Involuntary Bankruptcy. No step has been taken or is intended by Dermavant or, so far as it is aware, any other Person to make Dermavant subject to a Voluntary Bankruptcy or Involuntary Bankruptcy.

(n) Dermavant has filed (or caused to be filed) all tax returns and reports required by Applicable Law to have been filed by it and has paid all Taxes required to be paid by it, except
(i) any such Taxes that are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP or IFRS, as the case may be, have been set aside on its books or (ii) to the extent that the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(o) None of Dermavant or any of its Controlling Affiliates has taken any action that would entitle any Person other than Morgan Stanley & Co. LLC to any commission or broker's fee in connection with the transactions contemplated by the Transaction Documents.

(p) The claims and rights of the Purchasers created by any Transaction Document in and to the Revenue Interests are not and shall not be subordinated to any creditor of any of Dermavant or any of its Controlling Affiliates, except for any Permitted Secured Debt.

(q) Dermavant's exact legal name is, and since the date of its organization has been, "Dermavant Sciences GmbH". Dermavant's principal place of business (including the location where Dermavant keeps its books and records regarding the Revenue Interests) is, and since the

date of its organization has been, located in Switzerland. Dermavant's jurisdiction of organization is, and since the date of its organization has been, Switzerland. Since its organization, Dermavant has not been the subject of any merger, amalgamation, consolidation or other corporate or other reorganization in which its identity or status was materially changed, except in each case when it was the surviving or resulting Person.

(r) Dermavant is not engaged in the business of extending credit for the purpose of buying or carrying margin stock, and no portion of the Purchase Price shall be used by Dermavant for a purpose that violates Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time.

(s) Neither Dermavant nor any of its properties or assets has any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise) under the Applicable Laws of Switzerland.

3.2 Purchasers' Representations and Warranties. Each of the Purchasers, severally but not jointly, represents, warrants and covenants to Dermavant as follows as to itself:

(a) Such Purchaser is a Person duly organized, validly existing and (to the extent relevant in its jurisdiction of organization) in good standing under the laws of its jurisdiction of organization.

(b) No consent, approval, license, order, authorization, registration, declaration or filing with, notice to, action or registration by or filing with any Governmental Authority or other Person is required by such Purchaser in connection with the execution and delivery by such Purchaser of the Transaction Documents to which it is or will be party, the performance by such Purchaser of its obligations under the Transaction Documents to which it is or will be party or the consummation of any of the transactions contemplated hereby or thereby.

(c) Such Purchaser has all necessary power and authority to (i) carry on its business as it is presently carried on by such Purchaser, (ii) enter into, execute and deliver the Transaction Documents to which it is or will be party and (iii) perform all of the covenants, agreements and obligations to be performed by such Purchaser hereunder and thereunder, except, in the case of clause (i) above, where such failure would not reasonably be expected to have a material adverse effect on such Purchaser's ability to perform its obligations hereunder. Each of the Transaction Documents to which such Purchaser is or will be party has been duly authorized by such Purchaser. Each of the Transaction Documents to which such Purchaser is or will be party has been (or, in the case of the Bill of Sale, will be on or prior to the Funding Date) duly executed and delivered by such Purchaser and constitutes (or, in the case of the Bill of Sale, will constitute as of the Funding Date) such Purchaser's legal, valid and binding obligation, enforceable against such Purchaser in accordance with the terms of each such Transaction Document, subject to bankruptcy, insolvency, reorganization or similar Applicable Laws affecting the rights of creditors generally and equitable principles.

(d) The execution and delivery of the Transaction Documents to which such Purchaser is or will be party by such Purchaser, the performance by such Purchaser of its

obligations hereunder and thereunder and the consummation of the transactions contemplated hereby or thereby do not and will not (i) violate any provision of the organizational documents of such Purchaser, (ii) conflict with or violate any Applicable Law that applies to such Purchaser or its assets or properties or (iii) violate, conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under or an event that would give rise to any right of notice, modification, acceleration, payment, cancellation or termination under or in any manner release any party thereto from any obligation under any contract to which such Purchaser is a party or by which any of its properties or assets are bound (including, to the extent that such Purchaser is NovaQuest Co-Investment Fund VIII, L.P. or an Affiliate thereof, the NovaQuest Funding Agreement), except, in the case of each of clause (ii) above and clause (iii) above, as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on such Purchaser's ability to perform its obligations hereunder.

(e) There is no action, suit, claim, demand, citation, summons, subpoena, interference, reexamination, opposition, investigation or other proceeding (whether civil, criminal, administrative, regulatory or investigative), at law or in equity, in arbitration or before any Governmental Authority pending or, to the knowledge of such Purchaser, threatened against such Purchaser that would challenge or seek to prevent or delay the consummation of the transactions contemplated by the Transaction Documents or have a material adverse effect on the ability of such Purchaser to perform any of its obligations hereunder.

(f) Such Purchaser will have on the Funding Date sufficient funds available to pay its portion of the Purchase Price set forth opposite such Purchaser's name on Exhibit A attached hereto and otherwise satisfy all of its obligations in connection with this Agreement and the transactions contemplated hereby.

(g) Such Purchaser's signature page to this Agreement identifies whether or not such Purchaser is a Qualifying Bank and as to how many lenders it counts under the Non-Bank Rules.

(h) Such Purchaser has submitted an application to the Swiss Federal Tax Administration for a Tax Ruling.

3.3 Limitation of Liability. Except as expressly provided in this Agreement, no Party will be liable to any other Party, to any Affiliate of any other Party or to any other Responsible Party for any indirect, incidental, consequential, exemplary, punitive or special damages of any kind or any loss of goodwill, any lost profits (including multiples), any business interruption or any loss of any contract or other business opportunity arising out of or in connection with this Agreement, however caused and on any theory of liability (whether in contract, tort (including negligence), strict liability, or otherwise), even if such Party was advised or otherwise aware of the likelihood of such damages and regardless of any notice of the possibility of such damages; provided, that the foregoing shall not limit the obligations set forth in Article VII. Notwithstanding anything to the contrary contained herein, Dermavant's liability for a breach of this Agreement shall not exceed [***] in the aggregate less any payments made to, or for the benefit of, the Purchasers; provided, that the foregoing shall not limit the obligations set forth in Article VII in respect of Third Party Claims. Notwithstanding anything to the contrary contained herein, a Purchaser's liability for a breach of this Agreement shall not exceed, for such Purchaser, an amount equal to such Purchaser's

portion of the Purchase Price set forth opposite such Purchaser's name on Exhibit A attached hereto; provided, that the foregoing shall not limit the obligations set forth in Article VII. For the avoidance of doubt, this Section 3.3 shall not apply to any obligations due and owing to the Collateral Agent under this Agreement.

ARTICLE IV

CONFIDENTIAL INFORMATION

4.1 Definition of Confidential Information. For purposes of this Agreement, the term "Confidential Information" of a Party means any confidential or proprietary information furnished by or on behalf of such Party or its Affiliates (the "Disclosing Party") to another Party or its Affiliates (the "Receiving Party") pursuant to and relating to this Agreement or anti-money laundering or know-your-customer requirements of a Party. Notwithstanding the foregoing, Confidential Information shall not include information that, in each case as demonstrated by written documentation or other competent evidence:

(a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time it was disclosed to or learned by the Receiving Party hereunder;

(b) was generally available to the public or otherwise part of the public domain at the time it was disclosed to or learned by the Receiving Party hereunder;

(c) became generally available to the public or otherwise part of the public domain after it was disclosed to or learned by the Receiving Party hereunder, other than through any act or omission of the Receiving Party in breach of this Agreement;

(d) was lawfully disclosed to the Receiving Party, after it was disclosed to or learned by the Receiving Party hereunder, by a Person that is not bound by any obligation of confidentiality with respect to such information; or

(e) is independently developed by the Receiving Party without the benefit or use of the Confidential Information of the Disclosing Party.

For the avoidance of doubt, each Quarterly Report and the information contained therein shall be Confidential Information of Dermavant.

4.2 Obligations. Except as authorized in this Agreement (including Section 4.3 and Section 4.4) or any other Transaction Document or except upon obtaining the Disclosing Party's prior written permission to the contrary, the Receiving Party agrees that, for the Term and for five (5) years thereafter, it will:

(a) maintain in confidence, and not disclose to any Person, the Disclosing Party's Confidential Information;

(b) not use the Disclosing Party's Confidential Information for any purpose, except for performing the Receiving Party's obligations and exercising its rights under this Agreement and for performing anti-money laundering or know-your-customer due diligence; and

(c) protect the Disclosing Party's Confidential Information in its possession by using the same degree of care as it uses to protect its own Confidential Information (but, in any event, no less than a reasonable degree of care).

Notwithstanding anything to the contrary in this Agreement, the Disclosing Party will be entitled to injunctive relief to restrain the breach or threatened breach by the Receiving Party of this Section 4.2 without having to prove actual damages or threatened irreparable harm or post any bond or other security. Such injunctive relief will be in addition to any rights and remedies available to the Disclosing Party at law, in equity and under this Agreement for such breach or threatened breach.

4.3 Permitted Disclosures.

(a) The Receiving Party may disclose the Disclosing Party's Confidential Information (without the Disclosing Party's prior written permission) if such disclosure is made to the Receiving Party's Affiliates or any of its or their actual or potential equityholders, members, limited partners, partners, managers, directors, trustees, officers, employees, agents, consultants, tax advisors, bankers, financial advisors, lenders, investors, co-investors, collaborators, purchasers, acquirers, assignees, contractors, licensees, sublicensees, accountants, attorneys or other representatives, in each case, who need to know such Confidential Information and who are, prior to receiving such disclosure, bound by written or professional confidentiality and non-use obligations no less stringent than those contained herein. Notwithstanding the foregoing, the Receiving Party shall be responsible for any breach of this Section 4.3(a) by any Person described in this Section 4.3(a) to which it discloses Confidential Information (as if such Person were bound by the terms of this Section 4.3(a)) and shall take all reasonably necessary measures to restrain such Person from unauthorized disclosure or use of the Confidential Information.

(b) The Receiving Party may disclose the Disclosing Party's Confidential Information (without the Disclosing Party's prior written permission) to any Person to the extent such disclosure is necessary (i) for regulatory, tax or customs purposes, (ii) to prosecute or defend litigation or (iii) to comply with Applicable Law (including the Securities Act and the Exchange Act), applicable stock exchange requirements or an order or subpoena from a court of competent jurisdiction or other Governmental Authority; provided, however, that the Receiving Party, to the extent it may legally do so, shall give reasonable advance notice to the Disclosing Party of such disclosure and, at the Disclosing Party's reasonable request and expense, the Receiving Party shall use its reasonable efforts to secure confidential treatment of such Confidential Information prior to its disclosure (whether through protective orders or otherwise). Notwithstanding the foregoing or anything to the contrary in this Agreement, the Receiving Party and its Affiliates may, without notice to any Disclosing Party, disclose Confidential Information to any Governmental Authority having jurisdiction over the Receiving Party or its Affiliates in connection with routine regulatory examinations.

4.4 Terms of Agreement. The Parties agree that they will each treat the existence, contents and terms of this Agreement and the Term Sheet as confidential, and no Party shall make any press release or other public disclosure that discloses or otherwise concerns this Agreement or the Term Sheet or any terms hereof or thereof, without the prior written consent of the other Parties, except to the extent allowed under Section 4.3 or as otherwise permitted in accordance with this Section 4.4. Consistent with Section 4.3(b), the Parties agree to use reasonable efforts to provide the other Parties with a copy of that portion of any filing required by a securities agency or any stock exchange on which its securities are traded (or to which an application for listing has been submitted) regarding this Agreement or the Term Sheet or its respective terms to review prior to filing and to consider any comments of the other Parties in good faith, and, to the extent any Party is required to file or disclose this Agreement or the Term Sheet with a securities agency or stock exchange, such Party shall consider in good faith the other Parties' comments with respect to confidential treatment of the terms of this Agreement or the Term Sheet and shall redact this Agreement or the Term Sheet in a manner allowed by the securities agency or stock exchange to protect sensitive terms, and shall be permitted to file this Agreement or the Term Sheet, as so redacted, with the securities agency or stock exchange. For purposes of clarity, each Party is free to discuss with any other Person the information regarding this Agreement or the Term Sheet and the Parties' relationship disclosed in such securities filings and any other authorized public announcements, and no review or consent of a Party shall be required with respect to disclosure by any Party to the extent such disclosure is consistent with disclosure otherwise previously approved or publicly filed or disclosed pursuant to this Section 4.4.

4.5 Use of Names. No Party shall mention or otherwise use the name, insignia, symbol, trademark, trade name or logotype of any other Party or any Affiliate of any other Party (or any abbreviation or adaptation thereof) in any publication, press release, promotional material or other form of publicity without the prior written approval of such other Party in each instance. Notwithstanding the foregoing, the restrictions imposed by this Section 4.5 shall not prohibit the Receiving Party from making any disclosure identifying any Person, with prior written notice to such Person, to the extent required by Applicable Law or the rules of a stock exchange on which the securities of the Disclosing Party are listed (or to which an application for listing has been submitted) or as permitted pursuant to Section 4.4.

4.6 No Effect on Confidentiality Provisions under NovaQuest Funding Agreement. For purposes of this Article IV, NovaQuest Co-Investment Fund VIII shall not be deemed to be an Affiliate of NovaQuest Co-Investment Fund XVII, L.P. Any exercise by NovaQuest Co-Investment Fund VIII of its rights to use and disclose the Confidential Information (as defined for this purpose in the NovaQuest Funding Agreement) with respect to which it is deemed to be a Receiving Party under the NovaQuest Funding Agreement shall not constitute a breach of this Article IV by NovaQuest Co-Investment Fund XVII, L.P. or any other Affiliate of NovaQuest Co-Investment Fund XVII, L.P.

ARTICLE V

COVENANTS

5.1 Quarterly Reports; Payments on Account of the Revenue Interests.

(a) Dermavant shall, promptly after the end of each Fiscal Quarter (but in no event later than 45 days following the end of the first three Fiscal Quarters of any Fiscal Year and 75 days following the end of the fourth Fiscal Quarter of any Fiscal Year (the "Quarterly Deadline")), produce and deliver to the Purchasers a Quarterly Report for such Fiscal Quarter, together with a certificate of Dermavant certifying that (i) such Quarterly Report is a true and complete copy and (ii) any statements, data and information therein are true, correct and accurate in all material respects.

(b) Dermavant shall, promptly after the end of each Fiscal Quarter (but in no event later than the Quarterly Deadline), pay to each Purchaser its Percentage Interest of the applicable Quarterly Revenue Amount then due to the respective bank accounts of each such Purchaser specified in Schedule 2 attached hereto (as may be amended pursuant to Section 8.14); provided, that, for any Net Sales made by a Licensee for which payment is received by Dermavant fewer than 10 Business Days prior to the Quarterly Deadline, the Quarterly Revenue Amount in respect of such Net Sales may instead be paid with the following Fiscal Quarter's Quarterly Revenue Amount.

(c) Dermavant shall, following the Termination Date (if the Termination Date occurs as a result of Section 6.1(f)), pay: (i) to each Purchaser its Percentage Interest of all unpaid Quarterly Revenue Amounts, to the respective bank accounts of each such Purchaser specified in Schedule 2 attached hereto (as may be amended pursuant to Section 8.14); and (ii) all other outstanding obligations under any Deal Document, in each case, through the Termination Date, no later than the Quarterly Deadline for the Fiscal Quarter in which such Termination Date occurs.

(d) The Purchasers shall be entitled to request and convene a teleconference or videoconference in respect of each Fiscal Quarter with representatives of Dermavant's senior management team in order to review and discuss the Quarterly Report in respect of such Fiscal Quarter.

(e) Dermavant shall, and shall ensure the Controlling Affiliates shall, invoice all sales of the Product in the ordinary course in accordance with GAAP.

5.2 Payments. All payments under this Agreement to the Purchasers shall be made in U.S. dollars by wire transfer in immediately available funds to the respective bank accounts of each such Purchaser specified in Schedule 2 attached hereto (as may be amended pursuant to Section 8.14). With respect to Net Sales invoiced in a currency other than U.S. dollars, such Net Sales shall be converted into the U.S. dollar equivalent using the exchange rate existing in the United States (as reported in *The Wall Street Journal*, New York edition) for the applicable currency on the last Business Day of the applicable Fiscal Quarter. If *The Wall Street Journal* ceases to publish such exchange rate, then the rate of exchange to be used shall be that reported

in such other business publication of national circulation in the United States on which the Parties reasonably agree.

5.3 Late Interest. In the event that a payment under this Agreement is not made when due, such outstanding payment shall accrue interest, beginning on the date when the payment was due, at an annual rate equal to three and one-half percent (3.5%), plus the prime rate as reported in *The Wall Street Journal*, New York edition, on the first due date of such outstanding payment (or the maximum rate permitted under Applicable Law, whichever is less). Such accrued interest shall be compounded annually. Payment of accrued interest shall accompany payment of the outstanding payment.

5.4 Recordkeeping and Notifications.

(a) Dermavant shall, and shall ensure that the other Responsible Parties shall, keep and maintain for a period of three (3) years from the end of any calendar month accounts and records of all data reasonably required to verify (i) any information required to be provided to the Purchasers under this Agreement, (ii) the gross amount invoiced by any Responsible Party to Third Parties for sales of the Product, (iii) the calculation of Net Sales and (iv) all payments paid or payable with respect to the Revenue Interests. The recordkeeping obligations of Dermavant and the other Responsible Parties shall survive until the date that is three (3) years from the date when the last possible payment of Revenue Interests is made (the "Recordkeeping Period").

(b) Dermavant shall promptly (but in no event more than five Business Days later) notify the Purchasers in writing if Dermavant is or becomes aware, and Dermavant shall use commercially reasonable efforts to require each other Responsible Party to notify Dermavant upon such Responsible Party becoming aware, of the occurrence of (i) the imposition by any Regulatory Authority in the United States of, or the communication by any Regulatory Authority in the United States of its intent to impose, a suspension or clinical hold regarding the Product, (ii) any decision to cease or significantly reduce the Development or Commercialization of the Product in any material respect, (iii) the actual or written threatened revocation, withdrawal, suspension, cancellation, termination or material adverse modification of any approvals or authorizations of Governmental Authorities with respect to the Product affecting Commercialization in the United States, (iv) Dermavant's or, following the knowledge of Dermavant, any other Responsible Party's being debarred, excluded, suspended or otherwise ineligible to participate in government health care programs in the United States, (v) the receipt by Dermavant or any other Responsible Party of any material written notice (adverse or otherwise) from any Governmental Authority regarding the approvability or approval of the Product, (vi) the commencement of (or receipt of written notice of the actual or threatened commencement of) any material dispute, claim, suit, litigation, injunction or arbitration proceeding related to the Product, a Material Contract, the transactions contemplated by the Transaction Documents, the Revenue Interests, the U.S. Patents Covering the Product, or any License Agreement, including (A) those disputes, claims, suits, litigation, injunctions or arbitration proceedings alleging a Third Party's infringement or misappropriation of any of the Patents Covering the Product or Product IP Rights owned or licensed by Dermavant or any of its Controlling Affiliates and those alleging a Responsible Party's (or any of their respective Affiliates', licensees' or sublicensees') infringement or misappropriation of a Third Party's intellectual property in the Development or Commercialization of the Product in the United

States, in which case under this clause (vi) such notification shall contain a reasonable summary of the event described therein and, at the request of the Purchasers, Dermavant shall promptly discuss with the Purchasers the applicable matter), and (B) any notice pursuant to Section 505(b)(3) or 505(j)(2)(B) of the U.S. Federal Food, Drug, and Cosmetic Act of a Paragraph IV Certification with respect to the Product, (vii) any actual or alleged material violation, breach, default or termination by any Person under or of any License Agreement or (viii) any other adverse event or circumstance affecting the Product Assets or the Revenue Interests that would reasonably be expected to result in a Material Adverse Effect.

(c) Promptly (but in no event more than five Business Days) after receipt by a Responsible Party of any notice with respect to any Governmental Authority in the United States taking final patent office action (i) where Dermavant does not plan to file a request for continued examination or a continuation or divisional application and (ii) that cannot be appealed as part of the patent prosecution process under relevant patent office procedures relating to the status or validity, or change thereto, of any Patents Covering the Product, Dermavant shall provide a copy of such notice to the Purchasers. Dermavant shall also keep the Purchasers informed on an annual basis with respect to material developments in the status of the Patents Covering the Product in the United States (i.e., pending, granted, abandoned or expired, other than any unpublished filings).

(d) Promptly (but in no event more than ten Business Days) after Dermavant receives from any Third Party any written notice, demand, certificate, offer, proposal, correspondence, report or other communication relating to any License Agreement, the Patents Covering the Product, the Revenue Interests or the Product, which notice, demand, certificate, offer, proposal, correspondence, report or other communication would, or relates to any event or circumstance that would, reasonably be expected to have a Material Adverse Effect, Dermavant shall provide to the Purchasers, subject to the terms of the Transaction Documents, written notice thereof (including reasonable details to enable the Purchasers to understand the applicable matters involved, the facts, events or circumstances that gave rise to such matters, any relief or remedies being sought, any proposed corrective action to be taken, and relevant timelines for any exercise of remedies or for any proposed corrective action), together with a copy of such written notice, demand, certificate, offer, proposal, correspondence, report or other communication.

(e) Dermavant shall notify the Purchasers and the Collateral Agent in writing not less than 30 days prior to any change in, or amendment or alteration of, Dermavant's (i) legal name, (ii) form or type of organizational structure or (iii) jurisdiction of organization.

(f) Subject to applicable confidentiality restrictions and attorney-client privilege and work product immunities, Dermavant shall make available such other information as a Purchaser may, from time to time, reasonably request with respect to (i) the Revenue Interests, (ii) the Product, (iii) compliance with any License Agreement, (iv) any infringement of the Patents Covering the Product or (v) the condition or operations, financial or otherwise, of Dermavant that is reasonably likely to impact or affect the performance of Dermavant's obligations under the Transaction Documents or Dermavant's compliance with the terms, provisions and conditions of the Transaction Documents.

(g) Dermavant shall provide the Funding Condition Satisfaction Notice to the Purchasers in writing within five Business Days of the occurrence of the Funding Condition.

5.5 Audit Rights.

(a) From the Effective Date until the expiration of the Recordkeeping Period, upon prior written notice to Dermavant, the Purchasers shall have the right to audit, through an independent certified public accountant of national recognition selected by the Required Purchasers and reasonably acceptable to Dermavant, those accounts and records of Dermavant and its Affiliates involved in the Commercialization of the Product in the United States as may be reasonably necessary to verify compliance by Dermavant and such Affiliates with this Agreement (including to verify the accuracy of the Revenue Interests paid to the Purchasers hereunder and the accuracy of any Quarterly Report and the calculation of the related Quarterly Revenue Amount); provided, however, that such audit right shall cease with respect to any accounts and records on the third (3rd) anniversary of the date of such accounts or records. Such audits must occur during normal business hours and upon providing at least twenty (20) Business Days prior written notice, and may occur no more than once per Fiscal Year; provided, however, that if the independent certified public accountant's report shows an underreporting of Net Sales of at least ten percent (10%), then the Purchasers shall have the right to audit the accounts and records of Dermavant and its Affiliates twice per Fiscal Year in accordance with the terms of this Section 5.5. The Purchasers shall be solely responsible for the cost of any such audit, unless the independent certified public accountant's report shows, in respect of any Fiscal Year then being reviewed, an underreporting of Net Sales for such Fiscal Year by more than ten percent (10%), in which case Dermavant shall be responsible for the expenses incurred by the Purchasers for the independent certified public accountant's services. If any such audit results in a determination that any portion of the Revenue Interests was not properly paid to the Purchasers, unless Dermavant disputes the results of such audit in accordance with Section 5.5(c), then such portion of the Revenue Interests shall be paid, within thirty (30) days after the receipt of such audit results, by Dermavant to the Purchasers (in accordance with their Percentage Interests) in accordance with Section 5.2.

(b) If Dermavant completes an audit of a Licensee's books and records prior to the end of the Recordkeeping Period, Dermavant shall, subject to reasonable confidentiality obligations and any applicable limitations under Applicable Law, share with the Purchasers the written results of any such audit. In addition, prior to the expiration of the Recordkeeping Period, if, with respect to any Licensee, Dermavant does not during any consecutive twelve (12) month period undertake an audit reasonably sufficient to verify such Licensee's compliance with the terms of this Agreement applicable to a Licensee (including as a Responsible Party), then, upon the reasonable request of the Required Purchasers, Dermavant shall undertake such an audit of such Licensee's books and records, in accordance with the provisions of the applicable License Agreement and subject to any limitations under Applicable Law, and the Purchasers shall (severally in proportion to their Percentage Interests, but not jointly) reimburse Dermavant for the reasonable out-of-pocket costs of such audit unless the results of the audit shows, in respect of any Fiscal Year then being reviewed, an underreporting of Net Sales for such Fiscal Year by more than ten percent (10%), in which case Dermavant shall be responsible for such costs.

(c) If Dermavant disputes the results of any audit conducted pursuant to this Section 5.5, the Parties shall work in good faith to resolve the disagreement. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within thirty (30) days, the dispute shall be submitted for resolution to a certified public accounting firm jointly selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "Auditor"). The decision of the Auditor shall be final and the costs of such procedure as well as the initial audit shall be borne among the Parties in such manner as the Auditor shall determine. If the Auditor determines that there has been an underpayment by Dermavant, then Dermavant shall pay to the Purchasers (in accordance with their Percentage Interests) in accordance with Section 5.2 the underpayment within thirty (30) days after the Auditor's decision, plus interest (as set forth in Section 5.3) from the original due date. If the Auditor determines that there has been an overpayment by Dermavant, then Dermavant shall take a credit for such overpayment against any future payments due to the Purchasers hereunder.

5.6 Taxes.

(a) All payments made by or on behalf of Dermavant in respect of the Transaction Documents and the Revenue Interests will be made free and clear of and without deduction or withholding of Taxes, except as required by Applicable Law. If any Applicable Law requires the deduction or withholding of any amount from, or any Purchaser to pay any present or future Tax, assessment or other governmental charge on, any such payment to any Purchaser ("Withholding Payment"), then Dermavant (or its representatives) shall be entitled to make such deduction or withholding and will, in addition to paying such Purchaser (in accordance with its Percentage Interest) such reduced payment, simultaneously pay such Purchaser (in accordance with its Percentage Interest) such additional amounts so that, after such Withholding Payment (which may include deductions, withholdings or Taxes (other than Excluded Taxes) applicable to additional sums payable under this Section 5.6(a)) has been made, such Purchaser receives the full contractual amount of the applicable payment from Dermavant as if no such Withholding Payment had occurred; provided, that Dermavant shall not be required to pay such additional amounts with respect to any Withholding Payment that is attributable to any Excluded Taxes of such Purchaser. Dermavant shall timely pay the full amount of any Withholding Payment deducted or withheld by it to the relevant Governmental Authority in accordance with Applicable Law.

(b) Upon the reasonable request of Dermavant, if a Purchaser is legally entitled to an exemption from or reduction of a Withholding Payment with respect to payments made under this Agreement, such Purchaser shall deliver to Dermavant, at the time or times reasonably requested by Dermavant, such properly completed and executed documentation reasonably requested by Dermavant as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, a Purchaser, if reasonably requested by Dermavant, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Dermavant as will enable Dermavant to determine whether or not such Purchaser is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.6(c)) shall not be required if, in such Purchaser's reasonable judgment, such completion, execution or submission would subject such Purchaser to any material unreimbursed cost or expense or would materially

prejudice the legal or commercial position of such Purchaser and, for clarity, such Purchaser shall be deemed to have complied with its obligations under this Section 5.6(b) if it has so exercised its reasonable judgment or if such Purchaser changed its relevant office at the request of Dermavant. Each Purchaser agrees severally and not jointly that if any form or certification it previously delivered to Dermavant expires or becomes obsolete, invalid or inaccurate in any respect, such Purchaser shall update such form or certification or notify Dermavant in writing of its legal inability to do so, in either case within a reasonable amount of time following Dermavant's request for an update.

(c) Without limiting the generality of Section 5.6(b), in the event that Dermavant assigns its rights and obligations hereunder to an Affiliate that is a U.S. Person, each Purchaser agrees severally but not jointly to deliver to Dermavant from time to time, upon the reasonable request of Dermavant, executed copies of IRS Form W-9 or W-8, as applicable.

(d) If a payment made to a Purchaser under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Purchaser were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or Section 1472(b) of the Code, as applicable), then such Purchaser shall deliver to Dermavant at the time or times prescribed by Applicable Law and at such time or times reasonably requested by Dermavant such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Dermavant as may be necessary for Dermavant to comply with its obligations under FATCA and to determine that such Purchaser has complied with its obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 5.6(d), FATCA shall include any amendments made to FATCA after the Effective Date.

(e) As soon as practicable after any payment of Taxes by Dermavant to a Governmental Authority pursuant to this Section 5.6, Dermavant shall deliver to the relevant Purchaser the original or a certified copy of any receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence reasonably satisfactory to the relevant Purchaser.

(f) For United States federal, state and local and non-U.S. tax purposes, unless otherwise required by Applicable Law, Dermavant and the Purchasers shall treat this Agreement as effecting a sale of the Revenue Interests by Dermavant to the Purchasers and the Revenue Interests as a contractual right to receive payments in respect of the Revenue Interests. The Parties do not intend that the Revenue Interests be treated as an equity, profit-participating or ownership interest in Dermavant or as creating an actual or constructive partnership, joint venture, employment, franchise, agency, fiduciary or similar business relationship between or among the Parties for such purposes, and no Party shall take any action inconsistent with such treatment.

(g) In the event that Dermavant is expected to be required to make any Withholding Payments, Dermavant shall promptly notify the relevant Purchasers in writing, and, if Dermavant is required to pay any Additional Amounts pursuant to Section 5.6(a), the Parties shall, at Dermavant's reasonable request, use commercially reasonable efforts to cooperate in good faith

at Dermavant's expense to restructure the transactions contemplated hereby or take other relevant actions (without (i) materially adversely affecting the economic arrangement hereunder, (ii) subjecting a Purchaser to any material unreimbursed cost or expense or (iii) otherwise being materially disadvantageous to any Purchaser) to reduce or eliminate such obligation to pay such additional amounts.

(h) Dermavant shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the relevant Purchaser timely reimburse such relevant Purchaser for the payment of, any Other Taxes.

(i) Notwithstanding anything to the contrary in this Agreement, for purposes of calculating (i) the amounts of Revenue Interests or Quarterly Revenue Amounts, as applicable, treated as paid by Dermavant to the Purchasers, (ii) the Event of Default Fee and (iii) the Prepayment Amount, Dermavant shall be treated as paying, and the Purchasers shall be treated as receiving, the gross amounts of Revenue Interests or Quarterly Revenue Amounts, as applicable, paid to the Purchasers under this Agreement; provided, that if any Indemnified Taxes are withheld from payments to any Purchaser or are payable directly by any Purchaser to the relevant Governmental Authority, in each case in respect of such Revenue Interests or Quarterly Revenue Amounts, as applicable (and/or Additional Amounts payable to such Purchaser in respect of such Revenue Interests or Quarterly Revenue Amounts, as applicable), or any Other Taxes are paid by any Purchaser, then the amount treated as paid by Dermavant and received by the applicable Purchaser (A) shall include all Additional Amounts paid to such Purchaser in respect of such Revenue Interests or Quarterly Revenue Amounts, as applicable, and reimbursements for Other Taxes paid to such Purchaser pursuant to Section 5.6(h), and (B) shall be reduced by all Indemnified Taxes withheld from payments to such Purchaser or payable directly by such Purchaser in respect of such Revenue Interests or Quarterly Revenue Amounts, as applicable, or related Additional Amounts, and any Other Taxes paid by such Purchaser.

(j) Notwithstanding anything to the contrary in this Section 5.6, Dermavant shall not be obligated to pay any Additional Amounts to any Purchaser pursuant to this Section 5.6 to the extent imposed as a result of (i) the failure of such Purchaser to deliver to Dermavant the forms or other documentation, as applicable to such Purchaser, as required pursuant to this Section 5.6, or (ii) certifications made in such forms or other documentation being untrue or inaccurate on the date delivered in any material respect; provided, however, that Dermavant shall be obligated to pay such Additional Amounts to the extent any such failure to deliver a form or other documentation or the failure of such form or other documentation to establish a complete exemption from or reduction in applicable withholding Tax or untruth or inaccuracy contained therein resulted from a change in any Applicable Law or any written interpretation of any of the foregoing by a Governmental Authority occurring after the Effective Date, which change rendered such Purchaser no longer legally entitled to deliver such form or other documentation or otherwise no longer eligible for a complete exemption from or reduction in the applicable withholding Tax or rendered the information or certifications made in such form or other documentation untrue or inaccurate in a material respect.

(k) If any Purchaser determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes with respect to which it has received any Additional Amount under this Section 5.6, such Purchaser shall pay to Dermavant as soon as practical thereafter an

amount equal to such refund (but only to the extent of Additional Amounts paid with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such Purchaser and without interest (other than any interest paid or credited by the relevant Governmental Authority with respect to such refund). Dermavant, upon the request of such Purchaser, shall repay to such Purchaser the amount paid over pursuant to this Section 5.6(k) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Purchaser is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 5.6(k), in no event will a Purchaser be required to pay any amount to Dermavant pursuant to this Section 5.6(k) the payment of which would place such Purchaser in a less favorable net after-Tax position than such Purchaser would have been in if the Tax with respect to which Additional Amounts were required to be made and giving rise to such refund had not been deducted, withheld or otherwise imposed and the Additional Amounts with respect to such Tax had never been paid. This Section 5.6(k) shall not be construed to require any Purchaser to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to Dermavant or any other Person.

5.7 Limitations on Dispositions. Without the prior written consent of the Required Purchasers, Dermavant shall not (and Dermavant shall ensure that each of its other Controlling Affiliates does not) Dispose of (including to an Affiliate of Dermavant) all or any of Dermavant's right, title or interest in or to any Product Assets (including any inventory or intellectual property in connection with the Product) except for Permitted Dispositions.

5.8 Limitations on Secured Indebtedness. Without the prior written consent of the Required Purchasers, Dermavant shall not create, incur, assume or suffer to exist indebtedness secured by a Lien on any of the Product Assets, except for Permitted Secured Debt or obligations under the NovaQuest Funding Agreement.

5.9 Limitations on Liens. Without the prior written consent of the Required Purchasers, Dermavant shall not create, incur, assume or suffer to exist any Lien (or exercise any right of rescission, offset, counterclaim or defense) upon or with respect to the Revenue Interests (or the right to receive the Revenue Interests) or the Product Assets, except for Permitted Liens.

5.10 Limitations on Additional Revenue Interests. Without the prior written consent of the Required Purchasers, Dermavant shall not create, incur, sell, issue, assume, enforce or suffer to exist any additional revenue interests (or similar economic equivalents) with respect to Net Sales of the Product in the United States unless such additional revenue interests (or such economic equivalents) are subordinated to the Revenue Interests as to payment, security and enforcement.

5.11 Limitations on Change of Control. Dermavant shall not, directly or indirectly, effectuate or consummate a Change of Control [***]; provided, however, that Dermavant may, directly or indirectly, effectuate or consummate a Pre-Funding Change of Control by exercising its Pre-Funding Change of Control Option if it pays, within ten Business Days of its exercise of such Pre-Funding Change of Control Option, the Pre-Funding Change of Control Option Price in accordance with the terms of this Agreement.

5.12 Intellectual Property Matters.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, Dermavant shall (and shall cause each Controlling Affiliate to, and in the case of clause (v) below, shall cause each other Responsible Party to) use Commercially Reasonable Efforts, taking into account CRE Considerations, to (i) prosecute and maintain in full force and effect all Patents Covering the Product owned or controlled by it on or after the Effective Date, including payment of maintenance fees or annuities, affecting Commercialization in the United States, (ii) maintain, keep in full force and effect and seek available patent term extensions (and applicable supplemental protection certificates) for any such Patents Covering the Product affecting Commercialization in the United States, (iii) defend any challenge to the validity, patentability, enforceability, non-infringement or ownership of any of the Patents Covering the Product affecting Commercialization in the United States or any opposition or inter partes review (or similar action) to any of the Patents Covering the Product in any court, administrative agency or other forum (including by bringing any legal action for infringement or defending any opposition, inter partes review (or similar action), counterclaim of invalidity or other action of a third party for declaratory judgment of non-infringement or non-interference), (iv) in the event a Third Party is infringing the Patents Covering the Product in the United States, cause such infringement to cease, including by initiating legal proceedings against any Third Party infringer, and (v) maintain all material Product Know-How in confidence.

(b) Dermavant shall not disclaim or abandon, or fail to take any action necessary or desirable to prevent the disclaimer or abandonment of, any of the Patents Covering the Product, other than the filing of terminal disclaimers to address obviousness-type double patenting rejections to the extent in response to comments from the applicable patent authority; provided, that Dermavant shall have the right to disclaim or abandon such Patents (other than Key Patents) in the ordinary course of business in a manner that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Dermavant shall, and shall cause each other Responsible Party to, promptly inform the FDA of any Patents Covering the Product to the extent listable in the FDA's "Orange Book".

(d) In the case of receipt of notice of a Paragraph IV Certification with respect to the Product in the United States, Dermavant shall timely file a patent infringement action asserting the Patent(s) that are the subject of the Paragraph IV Certification within 45 days of receipt of such notice, unless the Required Purchasers timely agree in writing that such a patent infringement action should not be filed (such consent not to be unreasonably withheld).

(e) If Dermavant recovers monetary damages from a Third Party in an action brought for such Third Party's infringement of any Patents Covering the Product, where, and to the extent, such damages, whether in the form of judgment or settlement, are awarded for such infringement of such Patents within the United States, (i) such recovery will be allocated first to the reimbursement of any expenses incurred by Dermavant (or any party to any license or License Agreement in respect of such Patents entitled to such reimbursement under any such license or License Agreement) in bringing such action (including all reasonable attorney's fees),

(ii) any remaining amounts will be reduced, if applicable, to comply with allocation of recovered damages with licensors of such Patents required under any license or License Agreement in respect of such Patents, if any, and (iii) any residual amount of such damages after application of clause (i) above and clause (ii) above will be treated as Net Sales for purposes of the payments under the Revenue Interests under this Agreement.

5.13 Development and Commercialization. Dermavant shall, and shall ensure that each other Responsible Party shall, use Commercially Reasonable Efforts during the Term to (a) Develop the Product in a manner that is intended to ensure that Dermavant is reasonably likely to obtain Marketing Approval in the United States and (b) Commercialize the Product for sale on the market, including any licensing activities, in the United States, in each case taking into account the CRE Considerations.

5.14 License Agreements.

(a) After the execution of any License Agreement, Dermavant shall provide the Purchasers with a true and complete copy of such License Agreement within fifteen (15) Business Days following the execution thereof; provided, that Dermavant shall be permitted to redact confidential terms, such as economic terms. If any such License Agreement is amended, then Dermavant shall provide the Purchasers with a copy of such amendment within fifteen (15) Business Days following the execution thereof.

(b) Dermavant shall not enter into any License Agreement that provides for the exclusive right to Commercialize the Product in the United States, unless (i) the Licensee party to such License Agreement is a Qualified Licensee or a Controlling Affiliate (and, if it is a Controlling Affiliate, such Controlling Affiliate agrees not to assign or sublicense its rights under such License Agreement to a Person that is not a Qualified Licensee or a Controlling Affiliate),(ii) such License Agreement provides for payments by the Licensee party thereto to Dermavant of amounts with respect to sales of the Product at least equal to the corresponding amount of the Applicable Percentage of Net Sales of the Product (after taking into account any tax withholding) and (iii) such License Agreement includes terms with respect to recordkeeping, reporting and audit rights substantially similar to those set forth for Dermavant in this Agreement.

(c) Dermavant shall, and shall cause each of its Controlling Affiliates to, (i) perform and comply in all material respects with its duties and obligations under any License Agreement to which it is party, (ii) not assign, amend, modify, supplement, restate, waive, cancel or terminate, in whole or in part, any License Agreement to which it is party or any provision thereof or right thereunder in a manner that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (iii) not breach any of the provisions of any License Agreement to which it is party, (iv) not waive any obligation of, or grant or withhold any consent to, any other Person in respect of any License Agreement to which it is party in a manner that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or that would conflict with or violate the terms of this Agreement or any other Transaction Document and (v) not agree to do any of the foregoing.

(d) At Dermavant's request, the Purchasers shall enter into a reasonable, mutually-acceptable non-disturbance and attornment agreement (or similar agreement) in

connection with the entry by Dermavant into any License Agreement that is not otherwise prohibited under the Transaction Documents.

5.15 Material Contracts. Dermavant shall comply with all terms and conditions of, and fulfill all of its obligations under, all of the Material Contracts to which Dermavant or any of its Controlling Affiliates is a party, except, in each case, for such noncompliance that could not reasonably be expected to give rise, individually or in the aggregate, to a Material Adverse Effect. Dermavant shall enforce, or cause any of its Controlling Affiliates that is a party to enforce, against the other party or parties to each Material Contract to which Dermavant or any of its Controlling Affiliates is a party all material terms and conditions thereunder, except where the failure of the other party or parties to perform would not reasonably be expected to give rise, individually or in the aggregate, to a Material Adverse Effect. Dermavant shall not, and shall cause each of its Controlling Affiliates not to, amend any Material Contract in any material respect or issue any waivers or consents or other approvals under any Material Contract without the prior written consent of the Required Purchasers (such consent not to be unreasonably withheld or delayed), except where such amendment, waiver or consent would not reasonably be expected to give rise, individually or in the aggregate, to a Material Adverse Effect. Dermavant shall not, and shall cause each other Controlling Affiliate not to, enter into any Material Contract that would reasonably be expected to (a) conflict with the Transaction Documents or the rights granted to the Purchasers hereunder or thereunder, (b) impair Dermavant's ability to perform its obligations under the Transaction Documents or (c) reduce or limit the Revenue Interests.

5.16 Compliance with Law. With respect to the performance of obligations under the Transaction Documents and the activities contemplated by the Transaction Documents, except as would not reasonably be expected to give rise, individually or in the aggregate, to a Material Adverse Effect, Dermavant shall comply, and shall cause each other Responsible Party to comply, with all Applicable Laws.

5.17 Non-Bank Rules. Commencing on the Funding Date, Dermavant shall ensure that it is at all times in compliance with the Non-Bank Rules; provided, that Dermavant shall not be in breach of this covenant if its number of creditors that are not Qualifying Banks in respect of either the 10 Non-Bank Rule or the 20 Non-Bank Rule is exceeded solely because a Purchaser has (a) made an incorrect declaration of its status as to whether or not it is a Qualifying Bank or as to how many lenders it counts under the Non-Bank Rules or (b) failed to comply with its obligations under Section 8.7. Each of the Parties shall use commercially reasonable efforts to collaborate with each other to ensure compliance with the Non-Bank Rules.

5.18 Existence. Subject to Section 5.11, Dermavant shall (a) preserve and maintain its existence [***], (b) preserve and maintain its rights, franchises and privileges unless failure to do any of the foregoing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (c) qualify and remain qualified in good standing in each jurisdiction where the failure to do so would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, including appointing and employing such agents or attorneys in each jurisdiction where it shall

be necessary to take action under this Agreement, and (d) comply with its organizational documents.

5.19 Prepayment Amount. Dermavant shall have the right to terminate this Agreement by paying to each Purchaser (in accordance with its Percentage Interests), at any time, such Purchaser's Maximum Amount (less all Quarterly Revenue Amounts and any Event of Default Fee previously paid by Dermavant to such Purchaser) (collectively, the "Prepayment Amount"). Dermavant expressly waives (to the fullest extent it may lawfully do so) the provisions of any present or future Applicable Law that prohibits or may prohibit the collection of the foregoing Prepayment Amount in connection with any such event. Dermavant agrees that the Prepayment Amount shall be presumed to be the liquidated damages sustained by each Purchaser as the result of the early termination of this Agreement, and Dermavant agrees that such presumption is reasonable under the circumstances currently existing. Dermavant agrees (to the fullest extent that it may lawfully do so) that (a) the Prepayment Amount is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel, (b) the Prepayment Amount shall be payable notwithstanding the then-prevailing market rates at the time payment is made, (c) there has been a course of conduct between the Purchasers and Dermavant giving specific consideration in the transactions contemplated hereby for such agreement to pay the Prepayment Amount as a charge (and not interest) in the event of the early termination of this Agreement and (d) Dermavant shall be estopped from claiming differently than as agreed to in this Section 5.19. Dermavant expressly acknowledges that its agreement to pay the Prepayment Amount to the Purchasers as herein described is on the Effective Date and will continue to be a material inducement to the Purchasers to provide the Funding.

5.20 Disclosure Updates. On the Funding Date, Dermavant shall provide to the Purchasers updated versions of Part 1, Part 2, Part 3 (but solely with respect to non-Permitted Dispositions that have been approved by the Purchasers) and Part 4 to Schedule 3.1(e) to the Disclosure Letter and Schedule 3.1(i) to the Disclosure Letter, reflecting information as of the Funding Date.

5.21 Equity Commitment Letter.

(a) Dermavant has delivered to the Purchasers a true, correct, and complete copy of the Equity Commitment Letter, which provides that each of the Purchasers is a third-party beneficiary thereof entitled to specific performance in accordance with its terms. The Equity Commitment Letter is a legal, valid and binding obligation of Ultimate Parent and Parent, except as enforceability may be limited by applicable Bankruptcy Law and principles of equity. As of the First Amendment Effective Date, the Equity Commitment Letter has not been amended, restated, supplemented or otherwise modified, or compliance with any of the terms thereof waived, and no such amendment, restatement, supplement, modification or waiver is contemplated. As of the First Amendment Effective Date, neither Dermavant nor Parent has any knowledge of any event that has occurred which (with or without notice or lapse of time, or both) would reasonably be expected to constitute a default or breach or a failure to satisfy a condition on the part of any party under the Equity Commitment Letter. Neither Dermavant nor Parent has any reason to believe that any of Dermavant, Parent, or Ultimate Parent will be unable to satisfy on a timely basis any term or condition of the funding of the equity financings set forth in the Equity Commitment Letter (the "Equity Financings"). As of the First Amendment Effective

Date, there are no conditions or other contingencies related to funding of the full amount of the Equity Financings other than those expressly set forth in the Equity Commitment Letter delivered to the Purchasers prior to the execution and delivery of the First Amendment. There are not, and there are not contemplated to be, any side letters or other contracts or arrangements related to the Equity Financings that could reasonably be expected to adversely affect the timing, conditionality or availability of the funding of the Equity Financings, other than as expressly contained in the Equity Commitment Letter delivered to the Purchasers prior to the execution and delivery of the First Amendment.

(b) Neither Dermavant nor Parent shall amend or consent to any waiver of any provision of the Equity Commitment Letter without the prior written consent of each Purchaser (such consent not to be unreasonably withheld, conditioned, or delayed), provided that in no event shall any such amendment or waiver (i) release or relieve (or have the effect of releasing or relieving) Ultimate Parent from its equity commitments thereunder or reduce the aggregate amount of such equity commitments, (ii) postpone or delay (or have the effect of postponing or delaying) any required funding date thereunder (as contemplated by the Equity Commitment Letter as executed on or about the First Amendment Effective Date), (iii) impose new or additional conditions or expand, amend or modify any of the conditions to the receipt of the Equity Financings in the Equity Commitment Letter, in each case of this clause (b)(iii), that would reasonably be expected to prevent, delay or impede the funding of the Equity Financings or make the timely funding of the Equity Financings less likely to occur, (iv) adversely impact the ability of Parent to enforce its rights against any party to the Equity Commitment Letter pursuant to the terms of the Equity Commitment Letter or (v) modify in any respect the third party beneficiary and specific performance rights of the Purchasers under the Equity Commitment Letter, in each case without the prior written consent of each Purchaser, in its sole discretion.

(c) Dermavant and Parent shall give each Purchaser prompt written notice (i) of any breach or default (or any event, fact or circumstance that, with or without notice, lapse of time or both, would reasonably be expected to result in a breach or default) by any party to the Equity Commitment Letter or definitive document with respect thereto, in each case, of which Dermavant or Parent becomes aware, (ii) if and when Dermavant or Parent becomes aware that any portion of the Equity Financings contemplated by the Equity Commitment Letter may not be available on the terms and conditions contemplated by the Equity Commitment Letter, (iii) of the receipt by Dermavant, Parent, Ultimate Parent or any of their respective Affiliates of any written notice or other written communication from any Person with respect to any (1) actual or potential breach, default, termination or repudiation by any party to the Equity Commitment Letter or definitive document with respect thereto or (2) material dispute or disagreement between any of Dermavant, Parent, and Ultimate Parent with respect to Parent's or Ultimate Parent's obligation to fund the Equity Financings pursuant to the Equity Commitment Letter or any definitive document with respect thereto, (iv) if for any reason Dermavant or Parent believes that it will not be able to obtain any portion of the Equity Financings on the terms, in the manner and from Parent or Ultimate Parent contemplated by the Equity Commitment Letter or any definitive documents with respect thereto and (v) of any expiration or termination of the Equity Commitment Letter or any definitive document with respect thereto.

(d) Each of Dermavant and Parent agrees to use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with Parent and Ultimate Parent in doing, all things necessary, proper or advisable to arrange and obtain the Equity Financings when the proceeds thereof shall be required to fund the operations of Dermavant on the terms and conditions described in the Equity Commitment Letter as in effect as of the First Amendment Effective Date (as may be amended in accordance with the terms of this Section 5.21), including enforcement of its rights under the Equity Commitment Letter. Parent agrees to contribute any net cash proceeds of the Equity Financings to Dermavant as needed to fund Dermavant's operations; provided that Parent may retain cash proceeds needed to fund the operations of Parent and its other subsidiaries.

ARTICLE VI

TERM AND TERMINATION; SURVIVAL

6.1 Term and Termination. Subject to Section 6.2, with respect to a given Purchaser, the term of this Agreement (the "Term") shall commence as of the Effective Date and shall terminate on the Termination Date. The "Termination Date" is, with respect to a given Purchaser, the earliest of (a) the mutual written agreement of all of the Parties, (b) July 30, 2023 if the Funding shall not have occurred on or prior to such date, (c) the date on which Dermavant has paid the Maximum Amount (for all Purchasers) or the Prepayment Amount to the Purchasers (in accordance with their Percentage Interests) pursuant to this Agreement, (d) in the event of a Bankruptcy Event of Default, the payment by Dermavant to such Purchaser of its portion of the Event of Default Fee in accordance with Section 2.7(a), (e) the payment by Dermavant to all Purchasers of the Pre-Funding Change of Control Option Price in accordance with Section 2.7(b), (f) the later of (i) December 31, 2036 and (ii) the date on which all the Key Patents have expired and (g) a termination pursuant to Section 2.8(b) (to the extent such Purchaser is a Non-Compliant Purchaser as to which this Agreement is being terminated pursuant to Section 2.8(b)). This Agreement and the other Transaction Documents shall remain in full force and effect and continue to be effective if any petition is filed by or against Dermavant for liquidation or reorganization, if Dermavant becomes insolvent or makes an assignment for the benefit of creditors, if a receiver or trustee is appointed for all or any significant part of any of Dermavant's assets, or if any payment or transfer of Revenue Interests is recovered from the Collateral Agent or the Purchasers, in each case prior to the Termination Date. The Transaction Documents shall continue to be effective, or shall be revived or reinstated, as the case may be, if at any time payment and performance of the Revenue Interests or any transfer of the Revenue Interests or any part thereof to the Collateral Agent is rescinded, avoided or avoidable, is reduced in amount, must otherwise be restored or returned by, or is recovered from, the Collateral Agent, any Purchaser or any obligee thereto, whether as a "voidable preference", "fraudulent conveyance" or otherwise, all as though such payment, performance or transfer of the Revenue Interests had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, avoided, avoidable, restored, returned or recovered, the Transaction Documents shall be deemed, without any further action or documentation, to have been revived and reinstated except to the extent of the full, final and indefeasible payment to the Collateral Agent or the Purchasers in cash. For the avoidance of doubt, each Purchaser maintains its rights to payment of an amount up to such Purchaser's Maximum Amount other than if the Pre-Funding Change of Control Price or the Prepayment Amount has been paid in full or if, upon a Bankruptcy Event of Default, such

Purchaser has been paid in full its portion of the Event of Default Fee, in each case, pursuant to the terms hereof. [***].

6.2 Survival. Notwithstanding anything to the contrary contained in this Agreement, Article IV, Section 5.1 (solely to the extent specified in Section 5.1(c)), Section 5.4, Section 5.6, this Section 6.2, Article VII, Article VIII and Article IX, and all payment obligations that have accrued as of the date of termination, shall survive the termination of this Agreement for any reason. Termination of this Agreement shall not relieve any Party of liability in respect of breaches under this Agreement by such Party on or prior to such termination.

ARTICLE VII

INDEMNIFICATION

7.1 General Obligations.

(a) Dermavant hereby agrees to indemnify, defend, hold harmless and reimburse each Purchaser and its respective Affiliates and their respective partners, managers, members, directors, officers, employees and agents and its and their respective successors, heirs and assigns (collectively, the "Purchaser Indemnitees") from and against, and to pay to each Purchaser Indemnitee the amount of, any losses, costs, claims, counterclaims, damages, Liabilities, assessments, awards, causes of action, charges, deductions, defenses, fines, obligations, off-sets, penalties, reductions, rescissions, set-offs or expenses (including reasonable and documented out-of-pocket attorneys' and professional fees and other reasonable and documented out-of-pocket expenses of litigation and investigation) (collectively, "Losses") awarded against or actually incurred or suffered by Purchaser Indemnitees arising out of claims, suits, actions or demands, in each case whether or not brought by a Third Party, or settlements or judgments arising therefrom (including personal injury, products liability, and intellectual property infringement or misappropriation claims) (each a "Claim"): (i) against a Purchaser Indemnitee by any Third Party (a "Third Party Claim") as a result or arising out of: (A) a Responsible Party's, or its or their respective agent's or contractor's, Development, promotion, marketing, handling, manufacture, packaging, labeling, storage, distribution, pricing, reimbursement, transport, use, sale or other disposition of the Product; (B) any product liability claims relating to the Product; (C) any claims of infringement or misappropriation of any intellectual property rights by any Third Parties against such Purchaser, Parent, Dermavant or any other Responsible Party; (D) the failure by Dermavant or any of its Controlling Affiliates to comply with Applicable Law; (E) the transactions contemplated in any Transaction Document or any License Agreement; or (F) any fees, expenses, costs, liabilities or other amounts incurred or owed by Dermavant or any of its Controlling Affiliates to any brokers, financial advisors or comparable other Persons retained or employed by any of them in connection with the transactions contemplated by this Agreement; and (ii) otherwise as a result of or arising out of: (A) any breach by Dermavant of a representation, warranty or certification of Dermavant contained in any of the Transaction Documents; or (B) any breach by Dermavant of any covenant, agreement or obligation of Dermavant contained in any of the Transaction Documents

or in any License Agreement, other than, in the case of each of clause (i) above and clause (ii) above, any Claim based on or resulting from (x) the willful misconduct or gross negligence of such Purchaser Indemnitee or any of such Purchaser Indemnitee's controlled affiliates or any of its or their respective officers, directors, employees or agents, in each case who are involved in or aware of this Agreement (as determined by a court of competent jurisdiction in a final and non-appealable decision) or (y) a material breach of the obligations (if any) of such Purchaser Indemnitee under any of the Transaction Documents to which it is party. Any amounts due to any Purchaser Indemnitee hereunder shall be payable by Dermavant to such Purchaser Indemnitees upon demand. Dermavant's obligations pursuant to this Section 7.1(a) shall not apply to the extent such Claims result from negligence or willful misconduct by any of the Purchaser Indemnitees or the breach of the terms and conditions of this Agreement by any of the Purchaser Indemnitees, including the representations and warranties made by the Purchasers in this Agreement or (in respect of any particular Purchaser) any failure by such Purchaser to pay its portion of the Purchase Price when due and payable, or any disputes between and among Purchaser Indemnitees to the extent such disputes do not arise from any act or omission of Dermavant or any of its Controlling Affiliates. This Section 7.1(a) shall not apply with respect to Taxes, other than Taxes arising from any non-Tax Claim.

(b) Each Purchaser hereby severally but not jointly agrees to indemnify, defend, hold harmless and reimburse Dermavant and its Affiliates and their respective managers, directors, officers, employees and agents and their respective successors, heirs and assigns (collectively, the "Dermavant Indemnitees") from and against, and to pay to each Dermavant Indemnitee the amount of, any Losses awarded against or actually incurred or suffered by Dermavant Indemnitees arising out of a Claim as a result or arising out of: (i) any breach by such Purchaser of a representation, warranty or certification of such Purchaser contained in any of the Transaction Documents to which such Purchaser is party that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; or (ii) any breach by such Purchaser of any covenant, agreement or obligation of such Purchaser contained in any of the Transaction Documents to which such Purchaser is party. Any amounts due to any Dermavant Indemnitee hereunder shall be payable by any such Purchaser to such Dermavant Indemnitees upon demand. A Purchaser's obligations pursuant to this Section 7.1(b) shall not apply to the extent such Claims result from negligence or willful misconduct by any of the Dermavant Indemnitees or the breach of the terms and conditions of this Agreement by any of the Dermavant Indemnitees, including the representations and warranties made by Dermavant in this Agreement.

7.2 Procedures.

(a) A Person seeking indemnification (the "Indemnified Party") under Section 7.1 shall give prompt written notice to the other Person or Persons against which indemnification may be sought hereunder (such Person or Persons being referred to herein as the "Indemnifying Party") of the assertion of any claim in respect of which indemnity may be sought hereunder. Such notice shall include a description of the claim and the nature and amount of the applicable Loss, to the extent known at such time. The failure of an Indemnified Party to notify the Indemnifying Party on a timely basis will not relieve the Indemnifying Party of any liability that the Indemnifying Party may have to the Indemnified Party unless the Indemnifying Party demonstrates that the defense of such action is materially prejudiced by the Indemnified Party's

failure to give such notice. The Indemnified Party shall provide the Indemnifying Party with copies of all papers and official documents received in connection with any Claims for which indemnity is sought hereunder and such other information with respect thereto as the Indemnifying Party may reasonably request. The Indemnified Party and the Indemnifying Party shall keep each other informed of any facts or circumstances that may be of material relevance in connection with the Loss for which indemnification is sought.

(b) The Indemnifying Party may assume, at the Indemnifying Party's sole cost and expense, the defense of any Claim for which indemnity is sought hereunder by giving written notice thereof to the Indemnified Party within thirty (30) calendar days after the Indemnifying Party's receipt of a notice provided pursuant to Section 7.2(a). Upon assuming the defense of a Claim, the Indemnifying Party may appoint as lead counsel in the defense of the Claim any legal counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party. In the event the Indemnifying Party assumes the defense of a Claim, the Indemnified Party shall immediately deliver to the Indemnifying Party all original notices and documents (including court papers) received by the Indemnified Party in connection with the Claim. Should the Indemnifying Party assume the defense of a Claim, except as provided in Section 7.2(c), the Indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by the Indemnified Party in connection with the analysis, defense or settlement of the Claim other than reasonable costs of investigation.

(c) Without limiting Section 7.2(b), the Indemnified Party shall be entitled to participate in, but not control, the defense of the related Claim and to employ counsel of its choice for such purpose. However, such employment shall be at the Indemnified Party's own expense unless (i) the employment thereof has been specifically authorized by the Indemnifying Party in writing, (ii) the Indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 7.2(b) (in which case the Indemnified Party shall control the defense) or (iii) the interests of the Indemnified Party and the Indemnifying Party with respect to such Claim are sufficiently adverse to prohibit the representation by the same counsel of both the Indemnified Party and the Indemnifying Party under Applicable Laws, ethical rules or equitable principles.

(d) With respect to any Claim, the Indemnifying Party shall have the sole right to consent to the entry of any judgment or enter into any settlement with respect to such Claim, on such terms as the Indemnifying Party, in its sole discretion, deems appropriate, so long as such judgment or settlement (i) does not involve any relief other than the payment of monetary damages, which shall be paid in full by the Indemnifying Party, (ii) does not involve any finding or admission of any violation of Applicable Law by the Indemnified Party or any violation of the rights of any Person by the Indemnified Party and (iii) includes, as an unconditional term thereof, the giving by the Indemnifying Party or any other Person, as applicable, of a full and unconditional release of the Indemnified Party from all liability with respect to the matters that are subject to such Claim. Except as set forth in this Section 7.2(d), the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to any Claim without the prior written consent of the Indemnified Party, such consent not to be unreasonably withheld.

(e) Regardless of whether the Indemnifying Party chooses to defend any Claim in respect of which indemnity is sought hereunder, the Indemnified Party shall, and shall cause each of its indemnitees to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the Indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such Claim and making the Indemnified Party and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the Indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

(f) If the Indemnifying Party denies or fails to timely admit any of its obligations under this Article VII regarding a Claim or fails to assume and diligently conduct the defense of any such Claim or indemnify and hold harmless the Indemnified Party with respect to any Losses arising out of such Claim throughout the period that such claim exists, then the Indemnifying Party's right to defend that Claim shall terminate and the Indemnified Party may assume the defense of, and settle, such Claim with counsel of its own choice and on such terms as the Indemnified Party deems appropriate, without any obligation to obtain the consent of the Indemnifying Party. Additionally, the Indemnifying Party will be obligated to indemnify and hold harmless the Indemnified Party for such defense and settlement if the Indemnifying Party is determined to have breached its obligations under this Article VII with respect to such Claim and the Claim is subject to the indemnification provisions of this Article VII.

7.3 Limitations. No Person shall be entitled to recover under this Article VII for any Claim to the extent such Claim is actually recovered by such Person under any applicable insurance policies or other collateral sources. If there is such a recovery by a Person under any insurance policy or from any other collateral source subsequent to its indemnification by the Indemnifying Party, then such Person shall promptly pay over the amount of such recovery to the Indemnifying Party (but no more than the amount that such Person received from the Indemnifying Party for such Claim).

7.4 Tax Treatment of Indemnification Payments. The Parties shall treat any payments under this Article VII as adjustments to the Purchase Price for all tax purposes to the extent permitted by Applicable Law.

ARTICLE VIII

MISCELLANEOUS

8.1 Governing Law. This Agreement shall be governed by, and construed, interpreted and enforced in accordance with, the laws of the State of New York, as applied to agreements executed and performed entirely in the State of New York, without giving effect to the principles of conflicts of law thereof other than Section 5-1401 of the General Obligations Law of the State of New York.

8.2 Waiver of Jury Trial. EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT SUCH PARTY AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.2.

8.3 Dispute Resolution.

(a) Subject to Section 8.4, prior to the initiation of any arbitration among the Parties, any dispute, controversy or claim arising under, out of or in connection with this Agreement, including any subsequent amendments, regarding the validity, enforceability, construction, performance or breach hereof (a "Dispute") shall be first addressed among the Parties, who will attempt in good faith to reach a mutually acceptable resolution to it, which attempt will include promptly meeting in-person to the extent practicable. If a Party believes that such discussions are not proving satisfactory, then such Party shall have the right to notify such other parties in writing thereof (a "Dispute Notice"). If a Party provides a Dispute Notice and the Parties have not reached a mutually acceptable resolution to the Dispute within fifteen (15) calendar days after the delivery of the Dispute Notice, then upon any Party's written notice to the other Parties (an "Arbitration Notice"), such Dispute shall be resolved exclusively and with final and binding effect by arbitration conducted under the Commercial Arbitration Rules (the "AAA Rules") of the AAA, as amended from time to time, except as provided in this Section 8.3 ("Arbitration").

(b) The Arbitration tribunal shall consist of three (3) arbitrators, which shall be selected as follows: (i) one (1) arbitrator shall be selected by Dermavant; (ii) one arbitrator shall be selected by the Purchasers; and (iii) one (1) arbitrator shall be selected by the two (2) foregoing arbitrators (each such arbitrator, an "Arbitrator"). No Arbitrator shall be current or former employees, officers or directors of, or consultants or advisors to, any Party. In the event that (x) any such Arbitrator to be selected pursuant to clause (i) above or clause (ii) above is not selected within ten (10) calendar days of the Arbitration Notice or (y) the two (2) Arbitrators selected by the Parties fail to select the third Arbitrator within ten (10) calendar days after the selection of the first two (2) Arbitrators by the Parties, then, at the request of any Party, the AAA shall make such selection(s) on behalf of the Parties in accordance with the AAA Rules. The third Arbitrator shall be a national of a country other than that of any of the Parties (unless otherwise agreed by the Parties) and shall serve as the chairperson of the Arbitration tribunal.

(c) The venue of the Arbitration shall be New York, New York. The Arbitration shall be conducted in the English language, and all foreign language documents shall be submitted in the original language and shall be accompanied by a translation into English.

(d) Upon the written mutual agreement of all Parties, any time period specified in this Section 8.3 or the AAA Rules shall be extended or accelerated according to the Parties' written mutual agreement. The Arbitrators shall take into account both the desirability of making discovery efficient and cost-effective and the needs of the Parties for an understanding of any legitimate issue raised in the Arbitration.

(e) The costs of the Arbitration, including fees and expenses to be paid to the Arbitrators and the out-of-pocket costs (including the costs incurred for translation of documents into English, attorneys' and expert witness fees, and travel expenses) of the prevailing Party or Parties shall be borne by (i) the losing Party or Parties, if the Arbitrators rule in favor of one Party or Parties on all disputed issues in the Arbitration, and (ii) by the Parties, as allocated in writing by the Arbitrators in a manner with a reasonable relationship to the outcome of the Arbitration, if the Arbitrators rule in favor of one Party or Parties with respect to some issues and in favor of the other Party or Parties with respect to other issues and, in either case of clause (i) above or clause (ii) above, paid within thirty (30) calendar days from the final decision by the Arbitrators.

(f) The decision by the Arbitrators shall be final and binding on the Parties, non-reviewable and non-appealable, and judgment upon any arbitral award may be entered and enforced by any court or other judicial authority of competent jurisdiction.

(g) The existence of any Dispute, any settlement negotiations, the Arbitration, and any submissions or rulings in connection therewith shall be deemed to be Confidential Information and shall be maintained in confidence by the Parties under industry standard terms or such other terms upon which the Parties agree in writing. The Arbitrators shall have the authority to impose sanctions for unauthorized disclosure of such Confidential Information.

8.4 Equitable Relief. Each of the Parties acknowledges that the other Parties may have no adequate remedy at law if such Party fails to perform any of its obligations under any of the Transaction Documents to which such Party is or will be party. In such event, each of the Parties agrees that the other Parties shall have the right, in addition to any other rights they may have (whether at law or in equity), to pursue equitable remedies such as injunction and specific performance for the breach or threatened breach of any provision of such Transaction Documents from any court of competent jurisdiction. Each of the Parties may pursue such specific performance or other equitable remedies without first exhausting any available remedies under Article VII.

8.5 Expenses. Except as expressly set forth in the Transaction Documents, each Party shall be responsible for and bear all of its own costs and expenses (including any legal fees, any accountants' fees and any brokers', finders' or investment banking fees or any prior commitment in respect thereof) with respect to the negotiation and consummation of the transactions contemplated by the Transaction Documents and the Term Sheet; provided, however, that Dermavant shall pay all reasonable out-of-pocket expenses of the Purchasers and the Collateral Agent associated with the preparation, negotiation, execution, delivery and administration of the Transaction Documents and the Term Sheet (including (a) the reasonable and documented fees, disbursements and other charges of (i) counsel for all Purchasers other than XYQ Luxco S.à r.l., in an aggregate amount not to exceed [***] as of the Effective Date, and (ii) one external

local counsel per local jurisdiction for the Purchasers, in an amount not to exceed [***] for all such local counsel as of the Effective Date, it being understood that the amounts set forth above in this clause (a) may be increased with the consent of Dermavant, such consent not to be unreasonably withheld or delayed, and (b) all out-of-pocket expenses of the Purchasers and the Collateral Agent in respect of the Transaction Documents and the Term Sheet (including the reasonable and documented fees, disbursements and other charges of one external counsel per Purchaser and the Collateral Agent per jurisdiction) in connection with the enforcement of, and preservation of rights under, the Transaction Documents and the Term Sheet) and any amendment or waiver with respect thereto.

8.6 Relationship of the Parties. Nothing in this Agreement is intended to be construed so as to suggest that any Party (except as expressly set forth herein) is obligated to provide, directly or indirectly, any advice, consultations or other services to the other Parties. No Party shall have any responsibility for the hiring, termination or compensation of the other Parties' employees or for any employee benefits of any such employee. No employee or representative of a Party shall have any authority to bind or obligate the other Parties for any sum or in any manner whatsoever or to create or impose any contractual or other liability on the other Parties without such Parties' approval. For all purposes and notwithstanding any other provision of this Agreement to the contrary, each Party's legal relationship under this Agreement to the other Parties shall be that of independent contractor. This Agreement is not a partnership agreement, and nothing in this Agreement shall be construed to establish a relationship of employment, partners, association, joint venturers or any other kind of entity or legal form among the Parties. No Party has any fiduciary or other special relationship with the other Parties or any of their respective Affiliates.

8.7 Successors and Assigns. Subject to the following paragraph, neither this Agreement nor any rights or obligations hereunder may be assigned in whole or in part by any Party, by operation of law or otherwise, without the prior written consent of Dermavant (in the case of an assignment by a Purchaser) or the Purchasers (in the case of an assignment by Dermavant), such consent not to be unreasonably withheld, conditioned or delayed, it being acknowledged that compliance with the Non-Bank Rules may be considered by Dermavant in providing any such consent; provided, however, that (a) without the prior written consent of Dermavant, a Purchaser may assign this Agreement (or any rights or obligations hereunder) in whole or in part to any Affiliate of such Purchaser, (b) without the prior written consent of Dermavant, a Purchaser may assign, sell, pledge, contribute or otherwise transfer its right to payment pursuant to this Agreement to any Person, and (c) [***]. Any assignment or attempted assignment not in accordance with this Section 8.7 shall be null and void.

Notwithstanding the prior paragraph, (i) any Purchaser shall give the Swiss Seller Party notice of any assignment of any rights or obligations hereunder in whole or in part (along with

the proposed assignee's confirmation as to whether the assignee is a Qualifying Bank and, if it is not, as to how many lenders it counts under the Non-Bank Rules) at least five (5) Business Days prior to such assignment, (ii) the Swiss Seller Party may make a written objection to such Purchaser prior to such assignment based on the Swiss Seller Party's reasonable belief that such assignment would violate the 10 Non-Bank Rule and (iii) if such objection is made, such assignment shall be effected only with the Swiss Seller Party's consent, not to be unreasonably withheld, conditioned or delayed (it being unreasonable to withhold, condition or delay such consent unless such assignment would violate the 10 Non-Bank Rule).

Dermavant may assume that any assignee or successor of a Purchaser is not a Qualifying Bank unless such assignee or successor confirms to Dermavant that it is a Qualifying Bank.

In addition, the parties to each assignment shall execute and deliver to Dermavant any tax forms or other documentation required to be delivered pursuant to Section 5.6.

8.8 Notices. All notices, consents, waivers, requests and other communications hereunder shall be in writing and shall be delivered in person, posted by registered or certified mail, return receipt requested, with postage prepaid, sent by confirmed electronic mail, sent by confirmed facsimile transmission or sent by overnight courier (e.g., Federal Express), to the Parties as follows:

If to Dermavant:

Dermavant Sciences GmbH
[***]

with a copy to:

Dermavant Sciences, Inc.
[***]

with a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
[***]

If to a Purchaser, as set forth in such Purchaser's signature page hereto

If to the Collateral Agent:

U.S. Bank Trust Company, National Association, as Collateral Agent
[***]

Each Party may, by notice given in accordance herewith to the other Parties, designate any further or different address to which subsequent notices, consents, waivers, requests and other communications shall be sent. Any such notice, consent, waiver, request or other communication shall be deemed given (a) when actually received when so delivered personally or by overnight courier, (b) if mailed, other than during a period of general discontinuance or disruption of postal service due to strike, lockout or otherwise, on the fifth (5th) calendar day after its postmarked date thereof, or (c) if sent by electronic mail or facsimile transmission, at the time that receipt of such electronic mail or facsimile transmission has been confirmed by the recipient.

8.9 Severability. If any provision hereof should be held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties. All other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties as nearly as possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction. Nothing in this Agreement shall be interpreted so as to require a Party to violate any Applicable Law.

8.10 Waivers. Any term or condition of this Agreement may be waived at any time by the Party or Parties that is or are entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of such Party or Parties waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a waiver of the same or any other term or condition of this Agreement on any future occasion.

8.11 Entire Agreement. This Agreement (including the Exhibits and Schedules attached hereto and the Disclosure Letter), together with the other Transaction Documents, set forth all of the covenants, promises, agreements, warranties, representations, conditions and understandings among the Parties relating to the subject matter hereof and supersede and terminate all prior agreements and understandings among the Parties, including any confidentiality agreement to which Dermavant (or any Affiliate of Dermavant) and any Purchaser (or any Affiliate of any Purchaser) is party or bound, and any such confidentiality agreement is hereby terminated without further force and effect.

8.12 Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties, the Collateral Agent and their permitted successors, legal representatives and assigns and, in the case of Article VII, the other Purchaser Indemnitees and Dermavant Indemnitees. Except with respect to the Purchaser Indemnitees and the Dermavant Indemnitees under Article VII, all rights, benefits and remedies under this Agreement are solely intended for

the benefit of the Parties (including their permitted successors, legal representatives and assigns), and no Person other than the Parties and the Collateral Agent (except the Purchaser Indemnitees and the Dermavant Indemnitees with respect to their rights, benefits and remedies under Article VII and except for the Parties' permitted successors, legal representatives and assigns) shall have any rights whatsoever to (a) enforce any obligation contained in this Agreement, (b) seek a benefit or remedy for any breach of this Agreement or (c) take any other action relating to this Agreement under any legal theory, including actions in contract or tort (including negligence, gross negligence and strict liability) or as a defense, setoff or counterclaim to any action or claim brought or made by the Parties (or any of their permitted successors, legal representatives and assigns).

8.13 Interpretation. When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference shall be to an Article or Section of, or Exhibit or Schedule to, this Agreement unless otherwise indicated. The words "include", "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it. The headings and captions (and any table of contents) in this Agreement are for convenience and reference purposes only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement. Unless specified otherwise, all statements of, or references to, monetary amounts in this Agreement are to U.S. dollars. Each accounting term used herein that is not specifically defined herein shall have the meaning given to it under GAAP, but only to the extent consistent with its usage and the other definitions in this Agreement. Unless specified otherwise, provisions that require that a Party or the Parties "agree", "consent", "approve" or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise. Words of any gender include any other gender, and words using the singular or plural number also include the plural or singular number, respectively. No Party hereto shall be deemed to be the drafter of this Agreement for the purposes of construing this Agreement against any Party. Where any payment is to be made, any funds are to be applied or any calculation is to be made under this Agreement on a day that is not a Business Day, unless this Agreement otherwise provides, such payment shall be made, such funds shall be applied and such calculation shall be made on the succeeding Business Day, and payments shall be adjusted accordingly. Unless specified otherwise, if any notice or other action or omission is required to be taken by a Party under this Agreement on a day that is not a Business Day, then such notice or other action or omission shall be deemed to be required to be taken on the next occurring Business Day. Unless otherwise defined, all terms that are defined in the Uniform Commercial Code as in effect in the State of New York shall have the meanings stated therein. The word "or" is not exclusive. Unless otherwise specified, references to an agreement or other document include references to such agreement or document as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with the terms thereof (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth in any of the Transaction Documents) and include any annexes, exhibits and schedules attached thereto. Unless specified otherwise, references to any Applicable Law shall include such Applicable Law as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor. Unless specified otherwise, references to any Person shall be construed to include such Person's successors and permitted assigns (subject to any restrictions on assignment, transfer or delegation set forth

herein), and any reference to a Person in a particular capacity excludes such Person in other capacities. The word "will" shall be construed to have the same meaning and effect as the word "shall". The words "hereof", "herein", "hereunder" and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision hereof. In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding". Any reference to the "knowledge of Dermavant" shall include the knowledge of Parent after due inquiry by Dermavant to Parent.

8.14 Amendments. This Agreement, including any Exhibits and Schedules attached hereto and the Disclosure Letter, may be amended, modified, supplemented, restated, waived or changed only by a written amendment or agreement signed by an authorized officer (or equivalent) of each Party. Notwithstanding the foregoing, (a) any Purchaser may, by providing written notice to the other Parties, amend the information set forth opposite such Purchaser's name on Schedule 2 attached hereto without any written amendment or agreement signed by any other Party and (b) the provisions of Article IX may be amended, modified, supplemented, restated, waived or changed by the Purchasers and the Collateral Agent without any written amendment or agreement signed by Dermavant.

8.15 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if each of the Parties had signed the same document. All counterparts shall be construed together and shall constitute one agreement. The words "execution", "signed" and "signature" and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement (to the extent permissible under governing documents) shall include images of manually executed signatures transmitted by facsimile or other electronic format (including "pdf", "tif" or "jpg") and other electronic signatures (including DocuSign and AdobeSign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. The foregoing shall apply to each other Transaction Document mutatis mutandis. Any communication sent to the Collateral Agent pursuant to this Agreement that requires a signature must be in the form of a document that is signed in the manner provided above. Dermavant, the Purchasers and the Collateral Agent agree to assume all risks arising out of the use of digital signatures and electronic methods to submit communications to the Collateral Agent, including the risk of the Collateral Agent acting on unauthorized instructions (other than any instructions actually known by the Collateral Agent to be unauthorized or otherwise invalid) and the risk of interception and misuse by third parties; provided, that neither Dermavant nor any Purchaser assumes any such risks if Dermavant or such Purchaser, respectively, incurs any loss, liability or expense as a result of the Collateral Agent's or any related Person's willful misconduct or gross negligence (as determined by a final, non-appealable order of a court of competent jurisdiction).

8.16 Further Assurances. Each of the Parties shall execute and deliver such additional documents, certificates and instruments, and shall perform such additional acts, as may be

reasonably requested and necessary or appropriate to carry out the purposes and intent of all of the provisions of this Agreement and to consummate all of the transactions contemplated by this Agreement.

8.17 Remedies. The rights and remedies of the Parties under this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. Unless specifically and expressly stated in this Agreement as exclusive, each remedy of the Parties specified in this Agreement is not exclusive, and, subject to the terms of this Agreement, the Parties shall be entitled to pursue any available legal or equitable remedy for breach of this Agreement or any provision hereof.

8.18 Survival. All representations, warranties and covenants made in the Transaction Documents shall survive the execution and delivery of this Agreement and the Funding. The rights hereunder to indemnification, payment of Losses or other remedies based on such representations, warranties and covenants shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time (whether before or after the execution and delivery of this Agreement or the Funding) in respect of the accuracy or inaccuracy of or compliance or non-compliance with, any such representation, warranty or covenant. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant, shall not affect the rights hereunder to indemnification, payment of Losses or other remedies based on such representations, warranties and covenants.

8.19 Waiver of Sovereign Immunity. To the extent that Dermavant may in any jurisdiction claim for itself or its assets immunity (to the extent such immunity may now or hereafter exist, whether on the grounds of sovereign immunity or otherwise) from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process (whether through service of notice or otherwise), and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), Dermavant irrevocably agrees with respect to any matter arising under this Agreement for the benefit of the Purchasers not to claim, and irrevocably waives, such immunity to the full extent permitted by the Applicable Laws of such jurisdiction.

8.20 Currency of Account; Conversion of Currency; Currency Exchange Restrictions.

(a) U.S. dollars are the sole currency of account and payment for all sums payable by Dermavant under or in connection with this Agreement, including damages related thereto. Any amount received or recovered in a currency other than U.S. dollars by any Purchaser (whether as a result of, or as a result of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of Dermavant or otherwise) in respect of any sum expressed to be due to it from Dermavant shall only constitute a discharge to Dermavant to the extent of the U.S. dollar amount, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that

U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient in respect of this Agreement, Dermavant shall indemnify the recipient against any loss sustained by it as a result in accordance with Section 8.20(b). In any event, Dermavant shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Section 8.20, it will be sufficient for such Purchaser to certify in a satisfactory manner (indicating sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above).

(b) Dermavant covenants and agrees that the following provisions shall apply to conversion of currency in the case of this Agreement:

(i) if for the purpose of obtaining judgment in, or enforcing the judgment of, any court in any country, it becomes necessary to convert into a currency (the "Judgment Currency") an amount due in any other currency (the "Base Currency"), then the conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which the judgment is given or the order of enforcement is made, as the case may be (unless a court shall otherwise determine);

(ii) if there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given or an order of enforcement is made, as the case may be (or such other date as a court shall determine), and the date of receipt of the amount due, Dermavant will pay such additional (or, as the case may be, such lesser) amount, if any, as may be necessary so that the amount paid in the Judgment Currency when converted at the rate of exchange prevailing on the date of receipt will produce the amount in the Base Currency originally due; and

(iii) in the event of the winding-up of Dermavant at any time while any amount of damages owing under this Agreement, or any judgment or order rendered in respect thereof, shall remain outstanding, Dermavant shall indemnify and hold the Purchasers harmless against any deficiency arising or resulting from any variation in any rates of exchange between (1) the date as of which the non-U.S. currency equivalent of the amount due or contingently due under this Agreement (other than under this clause (iii)) is calculated for the purposes of such winding-up and (2) the final date for the filing of proofs of claim in such winding-up (which shall be the date fixed by the liquidator or otherwise in accordance with the relevant provisions of Applicable Laws as being the latest practicable date as at which liabilities of Dermavant may be ascertained for such winding-up prior to payment by the liquidator or otherwise in respect thereof).

(c) The obligations contained in this Section 8.20 shall constitute separate and independent obligations from the other obligations of Dermavant under this Agreement, shall

give rise to separate and independent causes of action against Dermavant, shall apply irrespective of any waiver or extension granted by any Purchaser from time to time and shall continue in full force and effect notwithstanding any judgment or order or the filing of any proof of claim in the winding-up of Dermavant for a liquidated sum in respect of amounts due hereunder (other than under Section 8.20(b)(iii)) or under any such judgment or order. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Purchasers and no proof or evidence of any actual loss shall be required by Dermavant or the liquidator or otherwise. In the case of Section 8.20(b)(iii), the amount of such deficiency shall not be deemed to be reduced or increased by any variation in any rate of exchange occurring between the said final date and the date of any liquidating distribution.

(d) For purposes of this Section 8.20, the term "rate of exchange" shall mean the rate of exchange quoted by Reuters at 10:00 a.m. (New York City time) for spot purchases of the Base Currency with the Judgment Currency other than the Base Currency and includes any premiums and costs of exchange payable.

8.21 Swiss Terms. In this Agreement, where it relates to Dermavant, a reference to any liquidation, bankruptcy, insolvency, winding-up, reorganization, moratorium or other proceeding under any present or future bankruptcy, insolvency or similar Applicable Law means that Dermavant is unable to or admits inability to pay its debts as they fall due (*zahlungsunfähig*) or is deemed or declared to be unable to pay its debts or suspends or threatens to suspends making payments on any of its debts or (a) has initiated against it, (b) is legally obliged to initiate or (c) initiates (i) bankruptcy proceedings (*Konkurs*), (ii) proceedings leading to a provisional or a definitive composition moratorium (*provisorische oder definitive Nachlassstundung*), (iii) proceedings leading to an emergency moratorium (*Notstundung*), or (iv~~) proceedings for a postponement of bankruptcy pursuant to article 820 in conjunction with article 725a of the Swiss Code of Obligations (*Konkursaufschub*) or (v~~) any proceedings pursuant to article 819 in conjunction with article 731b, and articles 821 and 939, of the Swiss Code of Obligations that lead to its dissolution or liquidation, or any proceeding having similar effects in force at that time.

ARTICLE IX

COLLATERAL AGENT

9.1 Appointment and Duties.

(a) Each of the Purchasers hereby appoints U.S. Bank Trust Company, National Association (together with any successor Collateral Agent pursuant to Section 9.9) as collateral agent on behalf of the Purchasers for purposes of this Agreement and authorizes the Collateral Agent to (i) execute and deliver the Transaction Documents to which it is or will be party and accept delivery thereof from any Party, (ii) take other actions, exercise the rights, powers and remedies and perform the duties as are expressly delegated to the Collateral Agent under the Transaction Documents and (iii) exercise such powers as are reasonably incidental thereto. Each of the Purchasers consents to and authorizes the Collateral Agent's execution and delivery of any intercreditor or subordination agreements from time to time as expressly contemplated by the terms hereof on behalf of such Purchasers and agrees to be bound by the terms and provisions

thereof, including any purchase option contained therein. In connection with the incurrence of any Senior Secured Debt, the Collateral Agent and the Purchasers (upon request of Dermavant) shall enter into an intercreditor agreement with the lenders or financing sources under such Senior Secured Debt (or the agent to such lenders) on terms consistent with the definition of "Senior Secured Debt".

(b) Without limiting the generality of Section 9.1(a), the Collateral Agent shall have the sole and exclusive right and authority (to the exclusion of the Purchasers), and is hereby authorized, to (i) act as collateral agent for the Purchasers for purposes of holding, and the perfection of, all Liens created by the Transaction Documents and all other purposes stated therein, (ii) manage, supervise and otherwise deal with the collateral identified in the Transaction Documents (solely in accordance with the direction of the Required Purchasers (or all Purchasers, if applicable)), (iii) take such other action as requested by the Required Purchasers (or all Purchasers, if applicable) to maintain the perfection and priority of the Liens created or purported to be created by the Transaction Documents, (iv) except as may be otherwise specified in any Transaction Document, exercise all remedies given to the Collateral Agent and the Purchasers with respect to the collateral identified in the Transaction Documents, whether under the Transaction Documents, Applicable Law or otherwise, and (v) execute and deliver the Transaction Documents to which it is or will be party; provided, however, that the Collateral Agent may authorize and direct each of the Purchasers to take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer such collateral subject thereto to the Collateral Agent, and each of the Purchasers hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed.

(c) Under the Transaction Documents, the Collateral Agent (i) is acting solely on behalf of the Purchasers, with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Collateral Agent" and the terms "agent", "Collateral Agent" and "collateral agent" and similar terms in any Transaction Document that refer to the Collateral Agent, which terms are used for title purposes only, and (ii) is not assuming and shall not have any actual or implied obligations, functions, responsibilities or duties under any Transaction Document (regardless of whether an Event of Default has occurred or is continuing) other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Purchaser or any other Person, and each of the Purchasers, by accepting the benefits of the Transaction Documents, hereby waives and agrees not to assert any claim against the Collateral Agent based on the roles, duties and legal relationships expressly disclaimed in clause (i) above and clause (ii) above.

(d) In relation to Security Agreements that are governed by Swiss law, (i) with respect to Liens of accessory nature (*akzessorisch*), each present and future Purchaser appoints and authorizes the Collateral Agent to act in the name and on behalf of the Purchasers as their direct representative (*direkter Stellvertreter*), and (ii) with respect to Liens of non-accessory nature (*nicht-akzessorisch*), each present and future Purchaser appoints and authorizes the Collateral Agent to act in its own name but on behalf and for the account of the Purchasers as their indirect representative (*indirekter Stellvertreter*).

9.2 Binding Effect. Each of the Purchasers, by accepting the benefits of the Transaction Documents, agrees that (a) any action taken (or omitted to be taken) by the

Collateral Agent in accordance with the provisions of the Transaction Documents, (b) any action taken (or omitted to be taken) by the Collateral Agent in reliance upon the instructions of any Purchaser (or, where expressly required by the terms of this Agreement, a greater proportion of the Purchasers) and (c) the exercise by the Collateral Agent of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Purchasers.

9.3 Use of Discretion.

(a) The Collateral Agent shall not be required to exercise any discretion or take, or omit to take, any action, including with respect to enforcement or collection, except any action it is required to take or omit to take (i) under any Transaction Document or (ii) pursuant to instructions from any Purchaser (or, where expressly required by the terms of this Agreement, a greater proportion of the Purchasers) or counsel to such Purchasers.

(b) Notwithstanding Section 9.3(a), the Collateral Agent shall not be required to take, or omit to take, any action (i) unless, upon demand, the Collateral Agent receives an indemnification satisfactory to it from the Purchasers (or, to the extent applicable and acceptable to the Collateral Agent, any Purchaser or certain of the Purchasers or any other Person or Persons) against all Liabilities that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Collateral Agent or (ii) that is, in the opinion of the Collateral Agent or its counsel, contrary to any Transaction Document or Applicable Law.

(c) Notwithstanding anything to the contrary contained herein or in any other Transaction Document, the authority to enforce rights and remedies hereunder and under the other Transaction Documents against the Responsible Parties or any of them with respect to the collateral identified in the Transaction Documents shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Collateral Agent in accordance with the Transaction Documents for the benefit of all the Purchasers; provided, that the foregoing shall not prohibit (i) the Collateral Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Collateral Agent) hereunder and under the other Transaction Documents, (ii) any Purchaser from exercising any setoff rights in accordance with this Agreement or (iii) any Purchaser from filing proofs of claim (and thereafter appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Responsible Party under any bankruptcy or other debtor relief law), but in the case of this clause (iii) if, and solely if, the Collateral Agent has not filed such proof of claim or other instrument of similar character within five (5) days before the expiration of the time to file the same.

9.4 Delegation of Rights and Duties. The Collateral Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Transaction Document by or through any trustee, co-agent, employee, attorney-in-fact or other Person, in each case, selected with due care and with experience acting as a collateral agent for similar collateral (but excluding any Purchaser or any Affiliate of a Purchaser unless the Required Purchasers have consented thereto); provided, that the Collateral Agent shall remain fully responsible for all obligations delegated or performed by any such trustee, co-agent, employee,

attorney-in-fact or other Person, but shall incur no liability unless the Collateral Agent has engaged in gross negligence or willful misconduct in the appointment of such agent. Any such Person shall benefit from this Article IX to the extent that the Collateral Agent benefits from this Article IX.

9.5 Reliance and Liability.

(a) The Collateral Agent may, without incurring any liability hereunder, (i) consult with (whether or not selected by it) any advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, any Responsible Party or any of the Purchasers) and (ii) rely and act upon any document and information (including those transmitted by electronic transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(b) The Collateral Agent shall not be liable for any action taken or omitted to be taken by it under or in connection with any Transaction Document, and each of the Parties hereby waives and shall not assert any right, claim or cause of action based thereon, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of the Collateral Agent (as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein. Without limiting the foregoing, the Collateral Agent (i) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of any Purchaser (or, where expressly required by the terms of this Agreement, a greater proportion of the Purchasers), (ii) shall not be responsible to any Purchaser or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Transaction Document, (iii) makes no representation or warranty, and shall not be responsible, to any Purchaser or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of any other party to a Transaction Document in connection with such Transaction Document or any transaction contemplated therein or any other document or information with respect to any other party to a Transaction Document, whether or not transmitted or (except for documents expressly required under any Transaction Document to be transmitted to the Purchasers) omitted to be transmitted by the Collateral Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by the Collateral Agent in connection with the Transaction Documents, (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Transaction Document, whether any condition set forth in any Transaction Document is satisfied or waived, as to the financial condition of any Responsible Party or as to the existence or continuation or possible occurrence or continuation of any Event of Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from a Party describing such Event of Default clearly labeled “notice of default”, and (v) shall have no obligation to file financing statements, amendments to financing statements, or continuation statements, or to perfect or maintain the perfection of the Collateral Agent’s Lien on the collateral identified in the Transaction Documents. For each of the items set forth in the preceding sentence, each of the Parties hereby waives and agrees not to assert any right, claim or cause of action it might have against the Collateral Agent based thereon. Whether or not expressly stated in any Transaction

Document, the rights, privileges and immunities of the Collateral Agent set forth herein shall be incorporated therein.

9.6 Collateral Agent Individually. The Collateral Agent and its Affiliates may make loans and other extensions of credit to, acquire stock and stock equivalents of, and engage in any kind of business with, any Party or Affiliate thereof as though it were not acting as the Collateral Agent and may receive separate fees and other payments therefor.

9.7 Credit Decision. Each of the Purchasers acknowledges that it shall, independently and without reliance upon the Collateral Agent or any other Purchaser or upon any document solely or in part because such document was transmitted by the Collateral Agent, conduct its own independent investigation of the financial condition and affairs of the Responsible Parties and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Transaction Document or with respect to any transaction contemplated in any Transaction Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Transaction Document to be transmitted by the Collateral Agent to the Purchasers, the Collateral Agent shall not have any duty or responsibility to provide any Purchaser with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Responsible Party that may come into the possession of the Collateral Agent.

9.8 Expenses and Indemnities.

(a) Dermavant agrees to reimburse the Collateral Agent promptly upon demand for any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and Other Taxes paid in the name of, or on behalf of, any Party) that may be incurred by the Collateral Agent in connection with the preparation, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including preparation for or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to, its rights or responsibilities under any Transaction Document. This Section 9.8(a) shall survive termination of this Agreement.

(b) Dermavant further agrees to indemnify the Collateral Agent from and against Liabilities that may be imposed on, incurred by or asserted against the Collateral Agent in any matter relating to or arising out of, in connection with or as a result of any Transaction Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by the Collateral Agent under or with respect to any of the foregoing; provided, however, that Dermavant shall not be liable to the Collateral Agent to the extent such liability has resulted primarily from the gross negligence or willful misconduct of the Collateral Agent, as determined by a court of competent jurisdiction in a final non-appealable judgment or order. This Section 9.8(b) shall survive termination of this Agreement.

(c) To the extent that Dermavant does not timely indemnify the Collateral Agent pursuant to Section 9.8(b), each Purchaser agrees, severally but not jointly, to indemnify the Collateral Agent from and against Liabilities that may be imposed on, incurred by or asserted against the Collateral Agent in any matter relating to or arising out of, in connection with or as a result of any Transaction Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by the Collateral Agent under or with respect to any of the foregoing; provided, however, that the Purchasers shall not be liable to the Collateral Agent to the extent such liability has resulted primarily from the gross negligence or willful misconduct of the Collateral Agent, as determined by a court of competent jurisdiction in a final non-appealable judgment or order. This Section 9.8(c) shall survive the termination of this Agreement.

9.9 Resignation or Removal of Collateral Agent.

(a) The Collateral Agent may resign at any time by delivering notice of such resignation to the Parties, effective on the date set forth in such notice or, if no such date is set forth therein, on the date such notice shall be effective in accordance with the terms of this Section 9.9. If the Collateral Agent delivers any such notice, the Required Purchasers shall have the right to appoint a successor Collateral Agent. If, after 30 days after the date of the resigning Collateral Agent's notice of resignation, no successor Collateral Agent has been appointed by the Required Purchasers and has accepted such appointment, then the resigning Collateral Agent may, on behalf of the Purchasers, appoint a successor Collateral Agent from among the Purchasers.

(b) The Required Purchasers may remove the Collateral Agent at any time by delivering notice of such removal to the Collateral Agent, effective on the date set forth in such notice or, if no such date is set forth therein, on the date such notice shall be effective in accordance with the terms of this Section 9.9. If the Required Purchasers deliver any such notice, the Required Purchasers shall appoint a successor Collateral Agent that shall have accepted such appointment.

(c) Effective immediately upon a Collateral Agent's resignation or removal, (i) the resigning or removed Collateral Agent shall be discharged from its duties and obligations under the Transaction Documents, (ii) the Purchasers shall assume and perform all of the duties of the Collateral Agent until a successor Collateral Agent shall have accepted a valid appointment hereunder, (iii) the resigning or removed Collateral Agent shall no longer have the benefit of any provision of any Transaction Document other than with respect to any actions taken or omitted to be taken while such resigning or removed Collateral Agent was, or because such Collateral Agent had been, validly acting as Collateral Agent under the Transaction Documents and (iv) subject to its rights under Section 9.3, the resigning or removed Collateral Agent shall take such action as may be reasonably requested by any of the Parties to assign to the successor Collateral Agent its rights as Collateral Agent under the Transaction Documents. Effective immediately upon its acceptance of a valid appointment as Collateral Agent, a successor Collateral Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the resigning or removed Collateral Agent under the Transaction Documents.

9.10 Release of Collateral. Each of the Purchasers hereby consents to the release and hereby directs the Collateral Agent to release any collateral identified in the Transaction Documents in accordance with the specific terms and provisions of the Transaction Documents. Notwithstanding anything to the contrary contained herein or in any other Transaction Document, the Collateral Agent is hereby irrevocably authorized by each Purchaser (and each such Purchaser hereby expressly consents), and the Collateral Agent hereby agrees with Dermavant, to take any action reasonably requested by Dermavant to effect the release of any collateral from the Lien created by the Security Agreements (a) upon the occurrence of the Termination Date for all Purchasers (provided that all amounts due and payable under this Agreement through the Termination Date have been paid in full) or (b) if such collateral is sold, transferred or otherwise disposed of to a Person other than a Controlling Affiliate in a transaction expressly permitted by this Agreement. In addition, the Collateral Agent is hereby irrevocably authorized by each Purchaser (and each such Purchaser hereby expressly consents), and the Collateral Agent hereby agrees with Dermavant, to, at Dermavant's request, enter into such documents as Dermavant may reasonably request to enter a non-disturbance agreement (or similar agreement) in connection with the entry by Dermavant into any License Agreement that is not otherwise prohibited under the Transaction Documents, which documents shall be acceptable to each of Dermavant, the Collateral Agent and the Purchasers. The Purchasers hereby direct the Collateral Agent, and the Collateral Agent hereby agrees, upon receipt by the Purchasers and the Collateral Agent of reasonable advance written notice (but in no event less than ten Business Days advance written notice) from Dermavant accompanied by an officer's certificate stating such release complies with the Transaction Documents, to, unless any Purchaser has provided a written objection to such release to the Collateral Agent and Dermavant within ten Business Days of receipt of such written notice, execute and deliver such documents and to perform other actions reasonably requested by Dermavant and, at Dermavant's expense, to release the Liens when and as directed in this Section 9.10. Upon request by the Collateral Agent at any time, the Purchasers will confirm in writing the Collateral Agent's authority to release, or subordinate its interest in, particular types or items of collateral pursuant to this Section 9.10 solely to the extent required by this Agreement.

9.11 Credit Bid. Each of the Purchasers hereby irrevocably authorizes the Collateral Agent, on behalf of all the Purchasers, to take any of the following actions upon the instruction of the Required Purchasers:

(a) consent to the disposition of all or any portion of the collateral identified in the Transaction Documents, free and clear of the Liens securing the obligations of the Responsible Parties hereunder, in connection with any disposition pursuant to the applicable provisions of Title 11 of the United States Code, including Section 363 thereof;

(b) credit bid all or any portion of the obligations of the Responsible Parties hereunder, or purchase all or any portion of the collateral identified in the Transaction Documents (in each case, either directly or through one or more acquisition vehicles), in connection with any disposition of all or any portion of the collateral identified in the Transaction Documents, pursuant to the applicable provisions of Title 11 of the United States Code, including Section 363 thereof;

(c) credit bid all or any portion of the obligations of the Responsible Parties hereunder, or purchase all or any portion of the collateral identified in the Transaction Documents (in each case, either directly or through one or more acquisition vehicles), in connection with any disposition of all or any portion of the collateral identified in the Transaction Documents, pursuant to the applicable provisions of the Uniform Commercial Code, including Section 9 610 or Section 9 620 of the Uniform Commercial Code;

(d) credit bid all or any portion of the obligations of the Responsible Parties hereunder, or purchase all or any portion of the collateral identified in the Transaction Documents (in each case, either directly or through one or more acquisition vehicles), in connection with any foreclosure or other disposition conducted in accordance with Applicable Law following the occurrence of an Event of Default, including by power of sale, judicial action or otherwise; or

(e) estimate the amount of any contingent or unliquidated obligations of any of the Purchasers hereunder;

it being understood that no Purchaser shall be required to fund any amount (other than by means of offset) in connection with any purchase of all or any portion of the collateral identified in the Transaction Documents by the Collateral Agent pursuant to clause (b) above, clause (c) above or clause (d) above without its prior written consent.

Each of the Purchasers agrees that the Collateral Agent is under no obligation to credit bid any part of the obligations of the Responsible Parties hereunder or to purchase or retain or acquire any portion of the collateral identified in the Transaction Documents; provided, that, in connection with any credit bid or purchase described under clause (b) above, clause (c) above or clause (d) above, the obligations of the Responsible Parties hereunder (other than with respect to contingent or unliquidated liabilities as set forth in the next paragraph) may be, and shall be, credit bid by the Collateral Agent on a ratable basis.

With respect to each contingent or unliquidated claim that is an obligation of the Responsible Parties hereunder, the Collateral Agent is hereby authorized, but is not required, to estimate the amount thereof for purposes of any credit bid or purchase described in the first paragraph of this Section 9.11 so long as the estimation of the amount or liquidation of such claim would not unduly delay the ability of the Collateral Agent to credit bid such obligation or purchase such collateral in the relevant disposition. In the event that the Collateral Agent, in its sole and absolute discretion (at the direction of the Required Purchasers), elects not to estimate any such contingent or unliquidated claim or any such claim cannot be estimated without unduly delaying the ability of the Collateral Agent to consummate any credit bid or purchase in accordance with the first paragraph of this Section 9.11, then any contingent or unliquidated claims not so estimated shall be disregarded, shall not be credit bid and shall not be entitled to any interest in the portion or the entirety of such collateral purchased by means of such credit bid.

Each Purchaser whose obligations are credit bid under clause (b) above, clause (c) above or clause (d) above shall be entitled to receive interests in the collateral identified in the Transaction Documents or any other asset acquired in connection with such credit bid (or in the

stock of the acquisition vehicle or vehicles that are used to consummate such acquisition) on a ratable basis in accordance with its Percentage Interests.

9.12 Erroneous Payments.

(a) Each Purchaser hereby agrees that (i) if the Collateral Agent notifies in writing such Purchaser that the Collateral Agent has determined in its sole discretion that any funds received by such Purchaser from the Collateral Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Purchaser (whether or not known to such Purchaser) (individually and collectively, an "Erroneous Payment") and demands in writing the return of such Erroneous Payment (or a portion thereof) (provided, that, without limiting any other rights or remedies (whether at law or in equity), the Collateral Agent may not make any such demand under this clause (i) with respect to an Erroneous Payment unless such demand is made within two Business Days of the date of receipt of such Erroneous Payment by the applicable Purchaser), such Purchaser shall promptly, but in no event later than two Business Days after receipt of such written demand, return to the Collateral Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a written demand was made, in same day funds (in the currency so received), together with, if identified in such written demand, interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Purchaser to the date such amount is repaid to the Collateral Agent in same day funds at a rate determined by the Collateral Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (ii) to the extent permitted by Applicable Law, such Purchaser shall not assert any right or claim to the Erroneous Payment, and such Purchaser hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Collateral Agent for the return of any Erroneous Payments received, including waiver of any defense based on "discharge for value" or any similar doctrine. A written notice of the Collateral Agent to any Purchaser under this Section 9.12(a) shall be conclusive, absent manifest error.

(b) Without limiting Section 9.12(a), each Purchaser hereby further agrees that, if it receives an Erroneous Payment from the Collateral Agent (or any of its Affiliates) (i) that is in a different amount than, or on a different date from, that specified in a written notice of payment sent by the Collateral Agent (or any of its Affiliates) with respect to such Erroneous Payment (an "Erroneous Payment Notice"), (ii) that was not preceded or accompanied by an Erroneous Payment Notice or (iii) that such Purchaser otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each case, an error shall have been presumed to have been made (absent written confirmation from the Collateral Agent to the contrary) with respect to such Erroneous Payment, and, to the extent permitted by Applicable Law, such Purchaser shall not assert any right or claim to the Erroneous Payment, and such Purchaser hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Collateral Agent for the return of any Erroneous Payments received, including waiver of any defense based on "discharge for value" or any similar doctrine. Each Purchaser agrees that, in each such case, it shall promptly (and, in all events, within one Business Day of its knowledge (or deemed knowledge) of such error) notify the Collateral Agent of such occurrence and, upon written demand from the Collateral Agent, such Purchaser shall promptly, but in all events no later than two Business Days after receipt of such written demand, return to the Collateral Agent the amount of any such Erroneous Payment

(or portion thereof) as to which such a written demand was made in same day funds (in the currency so received), together with, if identified in such written demand, interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Purchaser to the date such amount is repaid to the Collateral Agent in same day funds at a rate determined by the Collateral Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) Each Party hereby agrees that (i) in the event an Erroneous Payment (or portion thereof) is not recovered from any Purchaser that has received such Erroneous Payment (or portion thereof) for any reason, the Collateral Agent shall be subrogated to all the rights of such Purchaser with respect to such amount, and (ii) an Erroneous Payment shall not satisfy any obligations owed by Dermavant hereunder.

(d) Each Party's obligations under this Section 9.12 shall survive the resignation or replacement of the Collateral Agent or the satisfaction of obligations owed by Dermavant hereunder.

{Signature pages follow}

Exhibit 10.43

EXECUTION VERSION

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (together with all exhibits hereto, this "Agreement") is hereby entered into as of August 31, 2021, by and between Roivant Sciences, Inc., a Delaware corporation (the "Company"), and Richard Pulik, an individual ("Executive") (hereinafter collectively referred to as the "Parties").

RECITALS

WHEREAS, the Company desires the association and services of Executive and Executive's skills, abilities, background and knowledge, and is willing to engage the Executive's services on the terms and conditions set forth in this Agreement;

WHEREAS, Executive desires to be in the employ of the Company, and is willing to accept such employment on the terms and conditions set forth in this Agreement; and

WHEREAS, this Agreement supersedes any and all prior and contemporaneous oral or written employment agreements or arrangements between Executive and the Company or any predecessor thereof.

NOW, THEREFORE, in consideration of the respective agreements of the Parties contained herein, it is agreed as follows:

1. Employment Period; "At-Will" Employment.

(a) The term of Executive's employment under this Agreement shall commence on the date mutually agreed between the Parties (but in no event later than October 15, 2021) (the date Executive actually commences employment with the Company hereunder, the "Effective Date") and shall continue until Executive's employment with the Company is terminated in accordance with Section 44 (the "Employment Period").

(b) Executive's employment with the Company hereunder is "at-will," such that each of Executive and the Company has the right to terminate Executive's employment hereunder at any time and for any reason, with or without advance notice, subject to Section 4 hereof.

2. Position and Duties; Location.

(a) During the Employment Period, Executive shall be employed as the Company's Chief Financial Officer. Executive shall report directly to the Chief Executive Officer of the Company. Executive shall have such duties and responsibilities as are commensurate with Executive's position, as may be assigned to Executive from time to time by the Chief Executive Officer of the Company. It is understood and agreed that Executive's duties may include providing services to or for the benefit of the Company's affiliates, including, but not limited to, Roivant Sciences Ltd. ("Parent"); provided that Executive agrees that Executive will not provide any services from within the United States for Parent or any affiliate of Parent that is organized in a jurisdiction outside the United States. Executive will not become an employee of Parent, and Executive's activities in respect of services to Parent shall be strictly ministerial and shall not involve conducting any of Parent's business activities from within the United States, including day-to-day management or other operational activities of Parent.

(b) Executive shall devote all of Executive's professional time and attention and best efforts to the performance of Executive's duties hereunder and shall not engage in any other business, profession or occupation, whether paid or unpaid, that would conflict with the performance of Executive's services hereunder either directly or indirectly. During the Employment Period, Executive shall not be permitted to serve on the board of directors of any entity or organization without the prior written consent of the General Counsel of the Company (or their designee); provided that Executive may serve on the board of directors of charitable organizations without such prior written consent so long as such board service does not conflict or interfere with the performance of Executive's duties hereunder. Notwithstanding anything to the contrary herein, Executive shall not engage in any activities that constitute a conflict of interest with the interests of the Company or its direct or indirect subsidiaries and affiliates (together with Parent, collectively, the "Company Group").

(c) During the Employment Period, Executive's principal place of employment shall be the Company's offices located in New York, New York; provided that Executive acknowledges that Executive's duties and responsibilities shall require Executive to periodically travel on business to the extent necessary to fully perform Executive's duties and responsibilities hereunder (with any reasonable expenses incurred in connection with such travel subject to reimbursement in accordance with Section 3(f)).

(d) Executive shall be subject to and shall abide by each of the Company Group's personnel policies applicable to Executive, including but not limited to any code of conduct, any insider trading policy, any policy restricting pledging and hedging investments in equity securities of any member of the Company Group, any share ownership policy or commitment and any policy regarding the recoupment of compensation that the Company Group may adopt from time to time or that may otherwise be required under any applicable law or applicable listing rules. This Section 2(d) shall survive the termination of the Employment Period.

3. Compensation and Benefits.

(a) During the Employment Period, Executive shall receive an annual base salary of $400,000 ("Base Salary"). The Base Salary shall be payable in accordance with the Company's regular payroll practices as in effect from time to time. During the Employment Period, the Base Salary will be reviewed annually by, and is subject to adjustment at the discretion of, the compensation committee of the Board of Directors of Parent (the "Committee")).

(b) For each fiscal year of the Company ending during the Employment Period, Executive shall be eligible to receive a discretionary annual performance bonus (the "Annual Bonus"). Executive's target Annual Bonus shall be equal to 100% of Executive's Base Salary in effect for the applicable fiscal year (the "Target Bonus"). The actual amount of the Annual Bonus for any fiscal year, if any, shall be subject to an assessment, in the sole discretion of the Committee, of Executive's performance as well as business conditions at the Company. Executive's Annual Bonus (if any) for any fiscal year shall be paid no later than thirty (30) days following the end of the Company's fiscal year. In order to receive an Annual Bonus for any fiscal year, Executive must remain employed by the Company through the applicable payment date of such Annual Bonus.

(c) Executive shall receive an initial equity incentive grant under the applicable equity incentive plan maintained by Parent in effect from time to time (as amended or restated from time to time and including any successor plan thereto, the "RSL Equity Plan"), which shall be granted in the form of (i) 75,188 restricted stock units with respect to shares of Parent common stock (the "Initial RSU Award") and (ii) 107,108 options to purchase shares of Parent common stock (with an option exercise price no less than the fair market value of a share of Parent common stock on the date of grant) (the "Initial Option Award" and, together with the Initial RSU Award, the "Initial Equity Award"). Executive's Initial Equity Award shall be granted on or before the 20th day of the month (or next business day if the 20th day is a weekend or holiday) after the Effective Date; provided that the Initial Option Award will in no event be granted prior to the closing of the transactions contemplated by that certain Business Combination Agreement between Parent, Montes Archimedes Acquisition Corp. and Rhine Merger Sub, Inc., dated as of May 1, 2021 (as amended, the "BCA") (provided that, if such closing does not occur, the Initial Option Award will be granted on or before the 20th day of the month (or next business day if the 20th day is a weekend or holiday) after the date on which the BCA is terminated, if applicable, but in no event later than December 31, 2021 (or such later date as mutually determined by Executive and Parent taking into account the interests of Executive and Parent). The Initial Equity Award shall vest as follows, subject to Executive's continued employment with the Company through each applicable vesting date: (i) 25% of the Initial Equity Award shall vest on the first anniversary of the Vesting Commencement Date (as defined below); and (ii) the remaining 75% shall thereafter vest in equal quarterly installments over a three-year period. In the event Executive's employment is involuntarily terminated by the Company without Cause (as defined below) within 12 months immediately following the date of the consummation of a "change in control" (as defined in the RSL Equity Plan), the Initial Equity Award will immediately become fully vested. The "Vesting Commencement Date" applicable to the Initial Equity Award shall be the Effective Date (which, for the avoidance of doubt, shall be the date on which Executive commences employment with the Company hereunder). The Initial Equity Award shall be subject to the final approval by the Board of Directors of Parent (or an applicable committee thereof) and the terms of the RSL Equity Plan and the applicable award agreements provided to Executive thereunder. In the event of any conflict between the terms of this Agreement and the terms of the RSL Equity Plan or the applicable award agreement, the terms of the RSL Equity Plan and the award agreement will control. Thereafter, during the Employment Period, Executive may be eligible to receive discretionary periodic or annual equity incentive grants under the RSL Equity Plan based upon Executive's performance as well as business conditions at the Company, as determined in the sole discretion of the Committee.

(d) During the Employment Period, Executive shall be entitled to participate in the employee benefit plans and programs (including any medical, dental, vision, life and disability insurance benefit plans and 401(k) plan) made available by the Company to similarly situated full-time employees of the Company from time to time, subject to and in accordance with the terms of such plans or programs (including with respect to eligibility requirements and enrollment criteria) in effect from time to time. The Company reserves the right to change or rescind its benefit plans and programs and alter employee contribution levels from time to time at its discretion.

(e) During the Employment Period, Executive shall be entitled to vacation and sick leave in accordance with, and subject to the terms of, the Company's vacation and sick leave policies and programs, as may be amended from time to time.

(f) The Company shall reimburse Executive for reasonable travel and other business-related expenses incurred by Executive in the fulfillment of Executive's duties hereunder; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company from time to time. Any such reimbursement of expenses shall be made by the Company as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred).

(g) [***]

4. Termination of Employment.

(a) The Employment Period and Executive's employment under this Agreement shall be terminated in accordance with this Section 4: (i) immediately upon Executive's death or Disability (as defined below); (ii) by the Company at any time for Cause or, upon at least thirty (30) days' prior written notice, without Cause; (iii) voluntarily by Executive without Good Reason upon at least ninety (90) days' prior written notice (provided that, at any time after Executive has provided such written notice to the Company, the Company may, in its sole discretion, elect to terminate Executive's employment hereunder at any time prior to the end of such 90-day period, in which case, and notwithstanding anything to the contrary in this Agreement or otherwise, Executive shall thereupon only be entitled to receive the Accrued Obligations (as defined below) and such termination of employment will not constitute a termination of employment without Cause or otherwise entitle Executive to any Severance Benefits (as defined below)); or (iv) by Executive for Good Reason. The effective date of the termination of Executive's employment hereunder is referred to herein as the "Termination Date".

(b) In the event of a termination of Executive's employment for any reason, Executive (or Executive's beneficiaries, as the case may be) shall be entitled to receive (i) Executive's accrued but unpaid Base Salary through the Termination Date, (ii) reimbursement for any unreimbursed business expenses that are reimbursable in accordance with Section 3(f), subject to the Company's requirements with respect to reporting and documentation of such expenses and (iii) any other vested amount or benefit, if any, that is expressly provided for pursuant to the terms of any employee benefit plan or program in which Executive participates (the amounts described in clauses (i) through (iii), collectively, the "Accrued Obligations").

(c) In addition to the Accrued Obligations, subject to the terms of Section 4(d), in the event of Executive's (i) termination of employment by the Company without Cause (other than due to death or Disability) or (ii) resignation by Executive for Good Reason, Executive shall be entitled to receive (A) continued payment of Executive's then-current Base Salary for a period of six (6) months following the Termination Date, payable in accordance with the Company's customary payroll practices; (B) an amount equal to 50% of the Executive's Target Bonus, payable in equal monthly installments over the six (6) month period following the Termination Date in accordance with the Company's customary payroll practices; and (C) monthly reimbursement of the COBRA premiums for continued group health and dental plan coverage in which Executive was enrolled as of immediately prior to the Termination Date, less active employee rates (which will be payable by Executive), for a period of six (6) months following the Termination Date (or, if earlier, until the date Executive becomes eligible to be covered under a subsequent employer's group health insurance plan (the amounts described in clauses (A) through (C), collectively, the "Severance Benefits"). Executive agrees to provide the Company with written notice of Executive's eligibility to be covered under a subsequent employer's group health insurance plan no later than five (5) business days after Executive becomes eligible for such coverage.

(d) Notwithstanding anything to the contrary herein, the Severance Benefits shall be provided to Executive only if (A) Executive has executed and delivered to the Company a waiver and general release of claims, in a form to be provided promptly by the Company following the Termination Date (the "Release"), which such Release must be executed, delivered and be irrevocable within sixty (60) days after the Termination Date, (B) Executive has not revoked or breached the provisions of such Release and (C) Executive has not violated the terms of the NDIA (as defined below). Notwithstanding anything to the contrary herein, any payment of the Severance Benefits under Section 4(c)(A) or 4(c)(B) that is scheduled to occur during the first sixty (60) days following the Termination Date shall not be paid until the first regularly scheduled payroll date following such period and shall include payment of any amount that was otherwise scheduled to be paid prior thereto. If the period during which Executive may execute or revoke the Release spans two taxable years of Executive, the Severance Benefits shall in all events be paid to Executive in the second such taxable year, and any Severance Benefits that otherwise would have been payable during the first taxable year shall be paid in a lump sum in the first calendar month of the second taxable year.

(e) Executive acknowledges and agrees that the Company has no obligation to pay Executive any severance, except as expressly provided herein or as may otherwise be approved by the Company, and only to the extent Executive complies with the express contractual conditions hereof.

(f) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Cause" shall mean Executive's: (A) conviction of, or plea of guilty or no contest to, any (x) felony or (y) any other crime involving moral turpitude or dishonesty; (B) participation in fraud, embezzlement, misappropriation or theft against any member of the Company Group; (C) material breach of this Agreement or any other agreement between Executive and any member of the Company Group that has not been cured (if curable) within thirty (30) days after receiving written notice of such breach; (D) engagement in any conduct or act of gross negligence that causes, or is reasonably likely to cause, material damage to any member of the Company Group monetarily or otherwise (including, with respect to the reputation, business or business relationships of any member of the Company Group); (E) material failure to comply with the code of conduct or other material policies of any member of the Company Group; (F) violation of any law, rule or regulation relating in any way to the business or activities of the Company Group, or any other law, rule or regulation that results in Executive's arrest, censure or regulatory suspension or disqualification, including, without limitation, the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335(a), or any similar legislation applicable in the United States or in any other country where the Company intends to develop its activities; or (G) willful failure to substantially perform Executive's duties hereunder (other than as a result of Disability) that has not been cured (if curable) within thirty (30) days after receiving written notice from the Company.

(ii) "Disability" shall have the meaning assigned to such term in the RSL Equity Plan.

(iii) "Good Reason" shall mean the occurrence of any of the following events without Executive's consent: (A) a material reduction in Executive's Base Salary (provided, however, that if such reduction occurs in connection with a Company-wide decrease in the compensation of similarly situated employees of the Company, such reduction shall not constitute Good Reason if it is a reduction of a proportionally like percentage affecting all such similarly situated employees not to exceed ten percent (10%)); (B) a material reduction of Executive's authority, duties or responsibilities, as compared to Executive's authority, duties or responsibilities immediately prior to such reduction; or (C) a relocation of Executive to a primary office location more than twenty five (25) miles from Executive's primary company office location as of the Effective Date (provided that Executive being permitted to work remotely shall not constitute Good Reason); provided that, in each case Executive (1) gives the Company written notice of Executive's intent to terminate employment for Good Reason within thirty (30) days following the first occurrence of the conditions that Executive believes constitute Good Reason, (2) the Company fails to remedy such conditions within thirty (30) days following receipt of the written notice from Executive and (3) Executive voluntarily terminates employment within thirty (30) days following the expiration of such cure period.

5. Nondisclosure and Restrictive Covenants. Executive agrees to be bound by the terms and conditions of the Employee Non-Disclosure, Invention Assignment and Restrictive Covenant Agreement (the "NDIA") between the Company and Executive, a copy of which is attached as Exhibit A hereto. The terms of the NDIA are incorporated herein by reference and deemed to be a part of this Agreement. This Section 5 (and the NDIA) shall survive the termination of the Employment Period.

6. Executive's Cooperation. During the Employment Period and thereafter, Executive shall cooperate in good faith with the Company in any internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). The Company will reimburse Executive for any reasonable, out-of-pocket travel, lodging and meal expenses incurred in connection with Executive's performance of obligations pursuant to this Section 6 for which Executive has obtained prior written approval from the Company. This Section 6 shall survive the termination of the Employment Period.

7. Executive's Representations. Executive hereby represents and warrants to the Company that (i) Executive's execution and delivery of this Agreement and the performance by Executive of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any employment, restrictive covenant or other agreement or policy to which Executive is a party or otherwise bound, (ii) Executive is not subject to any obligation or restriction that would affect Executive's ability to devote Executive's full time and attention to Executive's duties hereunder and (iii) Executive has not been debarred, or received notice of any action or threat with respect to debarment, under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335(a) or any similar legislation applicable in the U.S. or in any other country where the Company intends to develop its activities.

8. Assignment; Binding Effect. This Agreement and any and all rights, duties, obligations or interests hereunder shall not be assignable or delegable by Executive. This Agreement and all of the Company's rights and obligations hereunder shall not be assignable by the Company, except as incident to a reorganization, merger, amalgamation or consolidation, or transfer of all or substantially all of the Company's assets, or to an affiliate of the Company. This Agreement shall be binding upon, and inure to the benefit of, the Parties, any successors to or assigns of the Company and Executive's heirs and the personal representatives of Executive's estate.

9. Amendment; Waiver. This Agreement may not be modified, amended or waived in any manner, except by an instrument in writing signed by both Parties. The waiver by either Party of compliance with any provision of this Agreement by the other Party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such Party of a provision of this Agreement.

10. Survival. To the extent contemplated by this Agreement, the respective rights and obligations of the Parties shall survive and continue in full force in accordance with their terms notwithstanding the termination of the Employment Period.

11. Notices. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each Party to each other Party; provided that all notices to the Company shall be directed to the attention of the General Counsel of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

12. Withholding. Any payments made or benefits provided to Executive under this Agreement shall be reduced by any applicable withholding taxes or other amounts required to be withheld by law or contract. The Company, in its sole and absolute discretion, shall make all determinations as to whether it is obligated to withhold any taxes hereunder and the amount hereof.

13. Section 409A and Section 457A. It is intended that the provisions of this Agreement comply with or are exempt from Section 409A and Section 457A of the Internal Revenue Code of 1986, as amended (the "Code") (together with the regulations and other interpretive guidance issued thereunder, "Section 409A" and "Section 457A", respectively), and all provisions of this Agreement will be construed and interpreted in a manner consistent with such intent. In no event shall the Company or any of its affiliates be liable for any additional tax, interest or penalty that may be imposed on Executive by Section 409A or Section 457A. For purposes of Section 409A, each right to a payment hereunder will be deemed a "separate payment" within the meaning of Treas. Reg. Section 1.409A-2(b)(iii). With respect to the timing of payments of any deferred compensation payable upon a termination of employment hereunder, references in this Agreement to "termination of employment" (and substantially similar phrases) mean "separation from service" within the meaning of Section 409A. For the avoidance of doubt, it is intended that any expense reimbursement made to Executive hereunder is exempt from Section 409A; however, if any expense reimbursement hereunder is determined to be deferred compensation within the meaning of Section 409A, then (i) the amount of the expense reimbursement during one taxable year will not affect the amount of the expense reimbursement during any other taxable year, (ii) the expense reimbursement will be made on or before the last day of the year following the year in which the expense was incurred, and (iii) the right to expense reimbursement hereunder will not be subject to liquidation or exchange for another benefit. To the extent that Executive is a "specified employee" within the meaning of Section 409A as of the date of Executive's separation from service (as determined by the Company), no amounts payable under this Agreement that constitute "deferred compensation" within the meaning of Section 409A that are payable on account of Executive's separation from service shall be paid to Executive until the expiration of the six (6)-month period measured from the date of such separation from service (or, if earlier, the date of Executive's death following such separation from service). Upon the first business day following the expiration of such delay period, all such amounts deferred pursuant to the preceding sentence will be paid to Executive (without interest).

14. Section 280G. If Executive would be entitled to payments or benefits under this 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 Executive's 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 Executive 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. If payments or benefits are to be reduced, any such reduction in payments and/or benefits shall be made in accordance with Section 409A and shall occur in the manner that results in the greatest economic benefit to the Executive as determined by the Company's independent accountants. 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's independent accountants and shall be final and binding on the parties.

15. Governing Law. This Agreement (together with any and all modifications, extensions and amendments) shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely in such state, without giving effect to the conflict or choice of law principles thereof.

16. Severability. Each provision of this Agreement 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 of this Agreement or any action in 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.

17. Arbitration. If any legally actionable dispute arises under this Agreement or otherwise which cannot be resolved by mutual discussion between the Parties, then the Company and Executive each agree to resolve that dispute by binding arbitration pursuant to the terms and conditions of the Mutual Agreement to Arbitrate Claims (the "Arbitration Agreement") between the Company and Executive, a copy of which is attached as Exhibit B hereto. The terms of the Arbitration Agreement are incorporated herein by reference and deemed to be a part of this Agreement. This Section 17 (and the Arbitration Agreement) shall survive the termination of the Employment Period.

18. Waiver of Jury Trial. EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

19. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the Parties with respect to the subject matter hereof.

20. Captions and Headings. The descriptive captions and headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

21. Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. Signatures transmitted via facsimile or .pdf will be deemed the equivalent of originals.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written, to be effective as of the Effective Date.

ROIVANT SCIENCES, INC.

By: /s/ Matthew Gline
Name: Matthew Gline
Title: Chief Executive Officer

For purposes of Section 3(c) of this Agreement:

ROIVANT SCIENCES LTD.

By: /s/ Matt Maisak
Name: Matt Maisak
Title: Chief Operating Officer, Roivant Platforms

EXECUTIVE

By: /s/ Richard Pulik
Name: Richard Pulik

[*Signature Page to Employment Agreement*]

Exhibit A

Employee Non-Disclosure, Invention Assignment and Restrictive Covenant Agreement

[*Attached*]

Exhibit B

Mutual Agreement to Arbitrate Claims

[*Attached*]

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (together with all exhibits hereto, this "Agreement") is hereby entered into as of June 5, 2023 (the "Effective Date"), by and between Roivant Sciences, Inc., a Delaware corporation (the " Company"), and Rakhi Kumar, an individual ("Executive") (hereinafter collectively referred to as the "Parties").

RECITALS

WHEREAS, the Company and Executive are party to that certain Employment Offer and Terms Agreement, dated as of August 13, 2015 (the "Existing Agreement"), which sets forth the terms and conditions of Executive's employment with the Company;

WHEREAS, the Company desires to continue the employment of Executive on the terms and conditions set forth herein, and Executive desires to accept the terms and conditions of continued employment with the Company on the terms and conditions set forth herein; and

WHEREAS, effective as of the Effective Date, this Agreement shall supersede and replace the Existing Agreement in its entirety, and the Existing Agreement shall be of no further force or effect.

NOW, THEREFORE, in consideration of the respective agreements of the Parties contained herein, it is agreed as follows:

1. Employment Period; "At-Will" Employment.

(a) The term of Executive's employment under this Agreement shall commence on the Effective Date and shall continue until Executive's employment with the Company is terminated in accordance with Section 4 (the "Employment Period").

(b) Executive's employment with the Company hereunder is "at-will," such that each of Executive and the Company has the right to terminate Executive's employment hereunder at any time and for any reason, with or without advance notice, subject to Section 4 hereof.

2. Position and Duties; Location.

(a) During the Employment Period, Executive shall be employed as Chief Accounting Officer of the Company. Executive shall report directly to the Chief Financial Officer of the Company. Executive shall have such duties and responsibilities as are commensurate with Executive's position, as may be assigned to Executive from time to time by the Chief Financial Officer of the Company. It is understood and agreed that Executive's duties may include providing services to or for the benefit of the Company's affiliates, including, but not limited to, Roivant Sciences Ltd. ("Parent"); provided that Executive agrees that Executive will not provide any services from within the United States for Parent or any affiliate of Parent that is organized in a jurisdiction outside the United States. Executive will not become an employee of Parent, and Executive's activities in respect of services to Parent shall be strictly ministerial and shall not involve conducting any of Parent's business activities from within the United States, including day- to-day management or other operational activities of Parent. In connection with Executive's employment with the Company in the capacity as Chief Accounting Officer of the Company, Executive will be an "executive officer" of Parent, as defined under Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and an "officer" of Parent, as defined under Rule 16a-1(f) under the Exchange Act. In Executive's capacity as the Chief Accounting Officer of the Company, Executive will also be named the Principal Accounting Officer of Parent in connection with the registration of Parent's common shares pursuant to Section 12 of the Exchange Act.

(b) Executive shall devote all of Executive's professional time and attention and best efforts to the performance of Executive's duties hereunder and shall not engage in any other business, profession or occupation, whether paid or unpaid, that would conflict with the performance of Executive's services hereunder either directly or indirectly. During the Employment Period, Executive shall not be permitted to serve on the board of directors of any entity or organization without the prior written consent of the General Counsel of the Company (or their designee); provided that Executive may serve on the board of directors of charitable organizations without such prior written consent so long as such board service does not conflict or interfere with the performance of Executive's duties hereunder. Notwithstanding anything to the contrary herein, Executive shall not engage in any activities that constitute a conflict of interest with the interests of the Company or its direct or indirect subsidiaries and affiliates (together with Parent, collectively, the "Company Group").

(c) During the Employment Period, Executive's principal place of employment shall be the Company's offices located in New York, New York; provided that Executive acknowledges that Executive's duties and responsibilities shall require Executive to periodically travel on business to the extent necessary to fully perform Executive's duties and responsibilities hereunder.

(d) Executive shall be subject to and shall abide by each of the Company Group's personnel policies applicable to Executive, including but not limited to any code of conduct, any insider trading policy, any policy restricting pledging and hedging investments in equity securities of any member of the Company Group, any share ownership policy or commitment and any policy regarding the recoupment of compensation that the Company Group may adopt from time to time or that may otherwise be required under any applicable law or applicable listing rules. This Section 2(d) shall survive the termination of the Employment Period.

3. Compensation and Benefits.

(a) During the Employment Period, Executive shall receive an annual base salary of $375,000 ("Base Salary"). The Base Salary shall be payable in accordance with the Company's regular payroll practices as in effect from time to time. During the Employment Period, the Base Salary will be reviewed annually by and is subject to adjustment at the discretion of the compensation committee of the Board of Directors of Parent (the "Committee").

(b) For each fiscal year of the Company ending during the Employment Period, Executive shall be eligible to receive a discretionary annual performance bonus (the "Annual Bonus"). Executive's target Annual Bonus shall be equal to 100% of Executive's Base Salary in effect for the applicable fiscal year (the "Target Bonus"). The actual amount of the Annual Bonus for any fiscal year, if any, shall be subject to an assessment, in the sole discretion of the Committee, of Executive's performance as well as business conditions at the Company, and shall be pro-rated for the number of days Executive was employed with the Company during the applicable fiscal year. Executive's Annual Bonus (if any) for any fiscal year shall be paid no later than thirty (30) days following the end of the Company's fiscal year. In order to receive an Annual Bonus for any fiscal year, subject to Section 4(c), Executive must remain employed by the Company through the applicable payment date of such Annual Bonus.

(c) During the Employment Period, Executive may be eligible to receive discretionary periodic or annual equity incentive grants under the Roivant Sciences Ltd. 2021 Equity Incentive Plan (as amended or restated from time to time and including any successor plan thereto, the "RSL Equity Plan"), based upon Executive's performance as well as business conditions at the Company, as determined in the sole discretion of the Committee.

(d) During the Employment Period, Executive shall be entitled to participate in the employee benefit plans and programs (including any medical, dental, vision, life and disability insurance benefit plans and 401(k) plan) made available by the Company to similarly situated full-time employees of the Company from time to time, subject to and in accordance with the terms of such plans or programs (including with respect to eligibility requirements and enrollment criteria) in effect from time to time. The Company reserves the right to change or rescind its benefit plans and programs and alter employee contribution levels from time to time at its discretion.

(e) During the Employment Period, Executive shall be entitled to vacation and sick leave in accordance with, and subject to the terms of, the Company's vacation and sick leave policies and programs, as may be amended from time to time.

(f) The Company shall reimburse Executive for reasonable travel and other business-related expenses incurred by Executive in the fulfillment of Executive's duties hereunder; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company from time to time. Any such reimbursement of expenses shall be made by the Company as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive's taxable year following the taxable year in which the expense is incurred).

4. Termination of Employment.

(a) The Employment Period and Executive's employment under this Agreement shall be terminated in accordance with this Section 4: (i) immediately upon Executive's death or Disability (as defined below); (ii) by the Company at any time for Cause (as defined below) or, upon at least thirty (30) days' prior written notice, without Cause; (iii) voluntarily by Executive without Good Reason (as defined below) upon at least ninety (90) days' prior written notice (provided that, at any time after Executive has provided such written notice to the Company, the Company may, in its sole discretion, elect to terminate Executive's employment hereunder at any time prior to the end of such 90-day period, in which case, and notwithstanding anything to the contrary in this Agreement or otherwise, Executive shall thereupon only be entitled to receive the Accrued Obligations (as defined below) and such termination of employment will not constitute a termination of employment without Cause or otherwise entitle Executive to any Severance Benefits (as defined below)); or (iv) by Executive for Good Reason. The effective date of the termination of Executive's employment hereunder is referred to herein as the "Termination Date".

(b) In the event of a termination of Executive's employment for any reason, Executive (or Executive's beneficiaries, as the case may be) shall be entitled to receive (i) Executive's accrued but unpaid Base Salary through the Termination Date, (ii) reimbursement for any unreimbursed business expenses that are reimbursable in accordance with Section 3(f), subject to the Company's requirements with respect to reporting and documentation of such expenses, and (iii) any other vested amount or benefit, if any, that is expressly provided for pursuant to the terms of any employee benefit plan or program in which Executive participates (the amounts described in clauses (i) through (iii), collectively, the "Accrued Obligations").

(c) In addition to the Accrued Obligations, subject to the terms of Section 4(e), in the event of Executive's (i) termination of employment by the Company without Cause (other than due to death or Disability) or (ii) resignation by Executive for Good Reason, Executive shall be entitled to receive (A) continued payment of Executive's then-current Base Salary for a period of twelve (12) months following the Termination Date, payable in accordance with the Company's customary payroll practices; (B) an amount equal to 100% of the Executive's Target Bonus, payable in equal monthly installments over the twelve (12) month period following the Termination Date in accordance with the Company's customary payroll practices; and (C) monthly reimbursement of the COBRA premiums for continued group health and dental plan coverage in which Executive was enrolled as of immediately prior to the Termination Date, less active employee rates (which will be payable by Executive), for a period of twelve (12) months following the Termination Date (or, if earlier, until the date Executive becomes eligible to be covered under a subsequent employer's group health insurance plan (the amounts described in clauses (A) through (C), collectively, the "Severance Benefits"). Executive agrees to provide the Company with written notice of Executive's eligibility to be covered under a subsequent employer's group health insurance plan no later than five (5) business days after Executive becomes eligible for such coverage.

(d) In addition to the Accrued Obligations, subject to the terms of Section 4(e), in the event of a termination of Executive's employment due to Executive's death or Disability, all service-based vesting conditions (including any requirement that Executive be employed at the time of achievement of an applicable performance-based vesting condition) with respect to fifty percent (50%) of each of Executive's Parent equity incentive awards that are outstanding as of immediately prior to the Termination Date (regardless of when granted) (the "Eligible Equity Awards") shall be immediately waived and shall lapse; provided that, such Eligible Equity Awards shall remain subject to any additional vesting conditions or other terms and conditions otherwise applicable to such Eligible Equity Awards, including the achievement of any applicable performance-based vesting conditions (the "Equity Acceleration Benefits"). Executive and Parent agree that, notwithstanding anything to the contrary set forth in the RSL Equity Plan, any other applicable equity incentive plan, or any applicable award agreement thereunder, effective as of the Effective Date, the Eligible Equity Awards (including any award agreement evidencing such awards) shall be deemed automatically amended to provide for the Equity Acceleration Benefits in accordance with, and subject to the terms of, this Section 4(d), without any further action necessary by Parent or Executive.

(e) Notwithstanding anything to the contrary herein, the Severance Benefits and the Equity Acceleration Benefits, as applicable, shall be provided to Executive only if (A) Executive (or, if applicable, Executive's estate) has executed and delivered to the Company a waiver and general release of claims, in a form to be provided promptly by the Company following the Termination Date (the "Release"), which such Release must be executed, delivered and be irrevocable within sixty (60) days after the Termination Date, (B) Executive (or, if applicable, Executive's estate) has not revoked or breached the provisions of such Release and (C) Executive has not violated the terms of the NDIA (as defined below). Notwithstanding anything to the contrary herein, any payment of the Severance Benefits under Section 4(c)(A) or 4(c)(B) that is scheduled to occur during the first sixty (60) days following the Termination Date shall not be paid until the first regularly scheduled payroll date following such period and shall include payment of any amount that was otherwise scheduled to be paid prior thereto. If the period during which Executive may execute or revoke the Release spans two taxable years of Executive, the Severance Benefits shall in all events be paid to Executive in the second such taxable year, and any Severance Benefits that otherwise would have been payable during the first taxable year shall be paid in a lump sum in the first calendar month of the second taxable year.

(f) Executive acknowledges and agrees that the Company has no obligation to pay Executive any severance, except as expressly provided herein or as may otherwise be approved by the Company, and only to the extent Executive complies with the express contractual conditions hereof.

(g) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Cause" shall mean Executive's: (A) conviction of, or plea of guilty or no contest to, any (x) felony or (y) any other crime involving moral turpitude or dishonesty; (B) participation in fraud, embezzlement, misappropriation or theft against any member of the Company Group; (C) material breach of this Agreement or any other agreement between Executive and any member of the Company Group that has not been cured (if curable) within thirty (30) days after receiving written notice of such breach; (D) engagement in any conduct or act of gross negligence that causes, or is reasonably likely to cause, material damage to any member of the Company Group monetarily or otherwise (including, with respect to the reputation, business or business relationships of any member of the Company Group); (E) material failure to comply with the code of conduct or other material policies of any member of the Company Group; (F) violation of any law, rule or regulation relating in any way to the business or activities of the Company Group, or any other law, rule or regulation that results in Executive's arrest, censure or regulatory suspension or disqualification, including, without limitation, the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335(a), or any similar legislation applicable in the United States or in any other country where the Company intends to develop its activities; or (G) willful failure to substantially perform Executive's duties hereunder (other than as a result of Disability) that has not been cured (if curable) within thirty (30) days after receiving written notice from the Company.

(ii) "Disability" shall have the meaning assigned to such term in the RSL Equity Plan.

(iii) "Good Reason" shall mean the occurrence of any of the following events without Executive's consent: (A) a material reduction in Executive's Base Salary (provided, however, that if such reduction occurs in connection with a Company-wide decrease in the compensation of similarly situated employees of the Company, such reduction shall not constitute Good Reason if it is a reduction of a proportionally like percentage affecting all such similarly situated employees not to exceed ten percent (10%)); or (B) a material reduction of Executive's authority, duties or responsibilities, as compared to Executive's authority, duties or responsibilities immediately prior to such reduction; or (C) a relocation of Executive to a primary office location more than twenty five (25) miles from Executive's primary company office location as of the Effective Date (provided that Executive being permitted to work remotely shall not constitute Good Reason); provided that, in each case Executive (1) gives the Company written notice of Executive's intent to terminate employment for Good Reason within thirty (30) days following the first occurrence of the conditions that Executive believes constitute Good Reason, (2) the Company fails to remedy such conditions within thirty (30) days following receipt of the written notice from Executive and (3) Executive voluntarily terminates employment within thirty (30) days following the expiration of such cure period.

5. Nondisclosure and Restrictive Covenants. Executive agrees to be bound by the terms and conditions of the Employee Non-Disclosure, Invention Assignment and Restrictive Covenant Agreement (the "NDIA") between the Company and Executive, a copy of which is attached as Exhibit A hereto. The terms of the NDIA are incorporated herein by reference and deemed to be a part of this Agreement. This Section 5 (and the NDIA) shall survive the termination of the Employment Period.

6. Executive's Cooperation. During the Employment Period and thereafter, Executive shall cooperate in good faith with the Company in any internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments). The Company will reimburse Executive for any reasonable, out-of-pocket travel, lodging and meal expenses incurred in connection with Executive's performance of obligations pursuant to this Section 6 for which Executive has obtained prior written approval from the Company. This Section 6 shall survive the termination of the Employment Period.

7. Executive's Representations. Executive hereby represents and warrants to the Company that (i) Executive's execution and delivery of this Agreement and the performance by Executive of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any employment, restrictive covenant or other agreement or policy to which Executive is a party or otherwise bound, (ii) Executive is not subject to any obligation or restriction that would affect Executive's ability to devote Executive's full time and attention to Executive's duties hereunder and (iii) Executive has not been debarred, or received notice of any action or threat with respect to debarment, under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335(a) or any similar legislation applicable in the U.S. or in any other country where the Company intends to develop its activities.

8. Assignment; Binding Effect. This Agreement and any and all rights, duties, obligations or interests hereunder shall not be assignable or delegable by Executive. This Agreement and all of the Company's rights and obligations hereunder shall not be assignable by the Company, except as incident to a reorganization, merger, amalgamation or consolidation, or transfer of all or substantially all of the Company's assets, or to an affiliate of the Company. This Agreement shall be binding upon, and inure to the benefit of, the Parties, any successors to or assigns of the Company and Executive's heirs and the personal representatives of Executive's estate.

9. Amendment; Waiver. This Agreement may not be modified, amended or waived in any manner, except by an instrument in writing signed by both Parties. The waiver by either Party of compliance with any provision of this Agreement by the other Party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such Party of a provision of this Agreement.

10. Survival. To the extent contemplated by this Agreement, the respective rights and obligations of the Parties shall survive and continue in full force in accordance with their terms notwithstanding the termination of the Employment Period.

11. Notices. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each Party to each other Party; provided that all notices to the Company shall be directed to the attention of the General Counsel of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

12. Withholding. Any payments made or benefits provided to Executive under this Agreement shall be reduced by any applicable withholding taxes or other amounts required to be withheld by law or contract. The Company, in its sole and absolute discretion, shall make all determinations as to whether it is obligated to withhold any taxes hereunder and the amount hereof.

13. Section 409A and Section 457A. It is intended that the provisions of this Agreement comply with or are exempt from Section 409A and Section 457A of the Internal Revenue Code of 1986, as amended (the "Code") (together with the regulations and other interpretive guidance issued thereunder, "Section 409A" and "Section 457A", respectively), and all provisions of this Agreement will be construed and interpreted in a manner consistent with such intent. In no event shall the Company or any of its affiliates be liable for any additional tax, interest or penalty that may be imposed on Executive by Section 409A or Section 457A. For purposes of Section 409A, each right to a payment hereunder will be deemed a "separate payment" within the meaning of Treas. Reg. Section 1.409A-2(b)(iii). With respect to the timing of payments of any deferred compensation payable upon a termination of employment hereunder, references in this Agreement to "termination of employment" (and substantially similar phrases) mean "separation from service" within the meaning of Section 409A. For the avoidance of doubt, it is intended that any expense reimbursement made to Executive hereunder is exempt from Section 409A; however, if any expense reimbursement hereunder is determined to be deferred compensation within the meaning of Section 409A, then (i) the amount of the expense reimbursement during one taxable year will not affect the amount of the expense reimbursement during any other taxable year, (ii) the expense reimbursement will be made on or before the last day of the year following the year in which the expense was incurred, and (iii) the right to expense reimbursement hereunder will not be subject to liquidation or exchange for another benefit. To the extent that Executive is a "specified employee" within the meaning of Section 409A as of the date of Executive's separation from service (as determined by the Company), no amounts payable under this Agreement that constitute "deferred compensation" within the meaning of Section 409A that are payable on account of Executive's separation from service shall be paid to Executive until the expiration of the six (6)-month period measured from the date of such separation from service (or, if earlier, the date of Executive's death following such separation from service). Upon the first business day following the expiration of such delay period, all such amounts deferred pursuant to the preceding sentence will be paid to Executive (without interest).

14. Section 280G. If Executive would be entitled to payments or benefits under this 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 Executive's 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 Executive 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. If payments or benefits are to be reduced, any such reduction in payments and/or benefits shall be made in accordance with Section 409A and shall occur in the manner that results in the greatest economic benefit to the Executive as determined by the Company's independent accountants. 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's independent accountants and shall be final and binding on the Parties.

15. Governing Law. This Agreement (together with any and all modifications, extensions and amendments) shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely in such state, without giving effect to the conflict or choice of law principles thereof.

16. Severability. Each provision of this Agreement 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 of this Agreement or any action in 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.

17. Arbitration. If any legally actionable dispute arises under this Agreement or otherwise which cannot be resolved by mutual discussion between the Parties, then the Company and Executive each agree to resolve that dispute by binding arbitration pursuant to the terms and conditions of the Mutual Agreement to Arbitrate Claims (the "Arbitration Agreement") previously entered into between the Company and Executive, a copy of which is attached as Exhibit B hereto. The terms of the Arbitration Agreement are incorporated herein by reference and deemed to be a part of this Agreement. This Section 17 (and the Arbitration Agreement) shall survive the termination of the Employment Period.

18. Waiver of Jury Trial. EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

19. Entire Agreement. This Agreement (including, for the avoidance of doubt, the NDIA) constitutes the entire agreement between the Parties and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the Parties with respect to the subject matter hereof, including without limitation, the Existing Agreement.

20. Captions and Headings. The descriptive captions and headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

21. Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. Signatures transmitted via facsimile or .pdf will be deemed the equivalent of originals.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written, to be effective as of the Effective Date.

ROIVANT SCIENCES, INC.

By: /s/ Eric Venker
Name: Eric Venker
Title: President and Chief Operating Officer

EXECUTIVE

By: /s/ Rakhi Kumar
Name: Rakhi Kumar

Solely for purposes of the equity award acceleration provisions:

ROIVANT SCIENCES LTD.

By: /s/ Matthew Maisak
Name: Matthew Maisak
Title: COO, Roivant Platforms

[*Signature Page to Employment Agreement*]

Exhibit A

Employee Non-Disclosure, Invention Assignment and Restrictive Covenant Agreement

[Attached]

Exhibit 31.1

CERTIFICATION

I, Matthew Gline, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: August 9, 2024

/s/ Matthew Gline

Matthew Gline
Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, Richard Pulik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: August 9, 2024

/s/ Richard Pulik

Richard Pulik
Principal Financial Officer

Exhibit 32.1

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 Quarterly Report on Form 10-Q for the period ended June 30, 2024, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2024

/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-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of 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-Q), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

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 Quarterly Report on Form 10-Q for the period ended June 30, 2024, to which this Certification is attached as Exhibit 32.2 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2024

/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-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of 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-Q), irrespective of any general incorporation language contained in such filing.